MIAMI VALLEY REGIONAL PLANNING COMMISSION

Basic Financial Statements

June 30, 2004

with

Independent Auditors' Report

Auditor of State
Betty Montgomery

Members and Board of Directors
Miami Valley Regional Planning Commission
One Dayton Center
One South Main Street, Suite 260
Dayton, Ohio 45402

We have reviewed the Independent Auditor's Report of the Miami Valley Regional Planning Commission, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2003 to June 30, 2004. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

February 14, 2005

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Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

To the Members and Board of Directors
Miami Valley Regional Planning Commission

We have audited the accompanying financial statements of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, as of and for the year ended June 30, 2004, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Miami Valley Regional Planning Commission's management. Our responsibility is to express opinions 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 *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 opinions.

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 Valley Regional Planning Commission, as of June 30, 2004, 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.

As described in Note 12, during the year ended June 30, 2004, the Miami Valley Regional Planning Commission implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.* GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments,* GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus,* GASB Statement No. 38, *Certain Financial Statement Note Disclosures,* GASB Statement No.39, *Determining Whether Certain Organizations Are Component Units,* and GASB Interpretation No. 6, *Recognition and Measurements of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 1, 2004 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 on assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison on pages 3 – 7 and 22 – 23 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 opinions on the financial statements that collectively comprise the Miami Valley Regional Planning Commission's financial statements. The accompanying schedules included on pages 24 – 37 are presented for purposes of additional analysis and are note a required part of the basic financial statements. The accompanying schedule of federal awards expenditures 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. 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 in on pages 24 – 37 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 1, 2004

Miami Valley Regional Planning Commission

Management's Discussion and Analysis
June 30, 2004
(Unaudited)

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, 2004. 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 2004 are as follows:

Overall:

- Total net assets increased $77,564, which represents a 5.3 percent increase from fiscal year 2003.
- Total assets of governmental activities increased by $239,932, attributed almost exclusively to the increase in grants receivable.
- General revenues accounted for $493,248 or 12.94 percent of total revenue. Program specific revenues in the form of operating grants account for $3.3 million or 87.06 percent of total revenues of $3.8 million.
- Of the MVRPC's $3.7 million in expenses, $3.3 million were offset by program specific operating grants. General revenues (primarily membership dues and miscellaneous income) were used to cover the net expense of $416 thousand.

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 2004?" 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 tells the reader that, for the MVRPC as a whole, the financial position has improved. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the MVRPC's membership base, the planning programs that the members desire MVRPC to perform, and federal and state planning priorities.

Miami Valley Regional Planning Commission

Management's Discussion and Analysis
June 30, 2004
(Unaudited)

In the Statement of Net Assets and the Statement of Activities, the 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.

The current year's financial statements are dramatically different from past years as a result of implementing GASB 34. Attempting to compare this year's data with last year would be misleading to the reader; however MVRPC looks forward to offering comparative data in the future. Recall that the Statement of Net Assets provides the perspective of the MVRPC as a whole.

Table 1 provides a summary of the MVRPC's net assets for 2004:

TABLE 1

NET ASSETS

	2004
Assets:	
Current and Other Assets	$ 2,523,810
Capital Assets	136,615
Total Assets	2,660,425
Liabilities:	
Current Liabilities	736,871
Long-Term Liabilities	383,527
Total Liabilities	1,120,398
Net Assets:	
Invested in Capital Assets, Net of Debt	136,615
Reserved for:	
Future Year's Operation	230,278
Carryover Grant Matching	52,821
Unrestricted	1,120,313
Total Net Assets	$ 1,540,027

The amount by which the MVRPC's assets exceeded its liabilities is called net assets. As of June 30, 2004, the MVRPC's net assets were $1.54 million. Of that amount, approximately $136,615 was invested in capital assets, net of debt related to those assets. $283,099 was restricted for specific purposes and the remaining balance of $1,120,313 was unrestricted and available for future use as directed by the MVRPC Board.

Table 2 shows the changes in net assets for fiscal year 2004. Since this is the first year the MVRPC has prepared financial statements following GASB Statement No. 34; therefore, revenue and expense comparisons to fiscal year 2003 are not available. In future years, when prior-year information is available, a comparative analysis of MVRPC data will be presented.

Miami Valley Regional Planning Commission

Management's Discussion and Analysis
June 30, 2004
(Unaudited)

TABLE 2

CHANGE IN NET ASSETS

	2004
Revenues:	
Program Revenues:	
Operating Grants	3,319,083
General Revenues:	
Membership Dues	460,555
Miscellaneous	32,693
Total Revenues	3,812,331
Program Expenses:	
General Government	233,415
Transportation Planning	3,173,991
Environmental Planning	173,189
Regional & Community Planning	154,172
Total Expenses	3,734,767
Increase in Net Assets	$ 77,564

The MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 82 percent of the MVRPC's total revenue was received from intergovernmental sources during fiscal year 2004. 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. 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 governmental 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 and Special Revenue Fund. The MVRPC uses these two funds to account for a multitude of financial transactions. Both of these funds are considered significant.

The General Fund had total revenues of $721 thousand and other financing sources of $1.3 million. Expenditures totaled $1.868 million. Unreserved fund balance went up $144 thousand in 2004 to $1.79 million.

The Special Revenue Fund provides the details of all federal grants received by MVRPC. The Special Revenue Fund had total revenues of $3.1 million. This was intergovernmental revenues from federal grants. Of this total, 98 percent was provided by the U.S. Department of Transportation. The use of these federal grants had local matching requirements of $135 thousand. This was provided by the General Fund as operating transfers-in. This corresponded to leveraging $1 of local funds to obtain $22.8 in federal funds.

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 the fiscal year, the MVRPC amended its budget three times.

For the General Fund, the budget was balanced by using unreserved fund balance of $1.64 million. The actual results of operations yielded a surplus of $144 thousand.

Capital Assets

At the end of fiscal year 2004, the MVRPC had $137 thousand invested in furniture and equipment in governmental activities.

Table 4 shows fiscal year 2004 balances compared to 2003:

TABLE 4
Capital Assets at June 30

	2004	2003
Furniture and Fixtures	$ 69,153	$ 121,828
Equipment	289,704	352,159
Leasehold Improvements	-	115,167
Subtotal	358,857	589,154
Less: Accumulated Depreciation	(222,242)	(513,293)
	$ 136,615	$ 75,861

Overall capital assets increased approximately $61,000 from fiscal year 2003. This increase was attributable to the disposal of capital assets and the associated accumulated depreciation during the year. Increases in capital assets were offset by depreciation expense for the year.

For the Future

The Miami Valley Regional Planning Commission continues to relay primarily on federal grants to finance its planning activities. The majority of these federal grants are provided by the U.S. Department of Transportation through the State of Ohio. These grants are authorized by the U.S. Congress through the Transportation Equity Act for the Twenty-first Century. This Act was set expire on September 30, 2003 and has been extended by the U.S. Congress six times. The latest extension runs through May 31, 2005.

It is imperative that this Act be reauthorized and funding for the transportation system be increased. Various proposals in the Act include increases in the funding for Metropolitan Planning Organizations (MPO). Since MVRPC is the MPO for this region, the reauthorization of this Act will have our immediate impact on the financial stability of the MVRPC.

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 Controller's Office at Miami Valley Regional Planning Commission, One South Main St. Suite 260, Dayton, Ohio 45402 or call (937) 223-6323 or by email to gbellotti@mvrpc.org

Miami Valley Regional Planning Commission

Statement of Net Assets
As of June 30, 2004

ASSETS		
Cash	$	1,590,269
Accounts Receivable		34,295
Grants Receivable		887,254
Prepaid Expenses		11,992
Capital Assets Being Depreciated (net)		136,615
Total Assets	$	2,660,425

LIABILITIES		
Accounts Payable	$	281,684
Accrued Personnel Costs		56,208
Deferred Revenues		398,979
Long-term Liabilities		
Due within one year		141,905
Due in more than one year		241,622
Total Liabilities	$	1,120,398

NET ASSETS		
Investment in Capital Assets, net of related debt	$	136,615
Reserved For:		
Future Year's Operation		230,278
Carryover Grant Matching		52,821
Unreserved		1,120,313
Total Net Assets	$	1,540,027

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission

Statement of Activities
For the Year Ended June 30, 2004

Governmental Activities:	Expenses	Program Revenues Operating Grants	Net (Expense) Revenue and Change in Net Assets Governmental Activities
General Government	$ 233,415	$ 136,923	$ (96,492)
Transportation Planning	3,173,991	3,045,547	(128,444)
Environmental Planning	173,189	55,192	(117,997)
Regional and Community Planning	154,172	81,421	(72,751)
Total Governmental Activities	$ 3,734,767	$ 3,319,083	(415,684)
General Revenues:			
Membership Dues			460,555
Miscellaneous			32,693
Total General Revenues			493,248
Changes in Net Assets			77,564
Net Assets. July 1, as restated			1,462,463
Net Assets, June 30			$ 1,540,027

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission

Balance Sheet

As of June 30, 2004

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash	$ 1,503,351	$ 86,918	$ 1,590,269
Accounts Receivable	34,295	-	34,295
Grants Receivable	23,144	864,110	887,254
Due From Special Revenue Fund	864,110	-	864,110
Prepaid Expenses	11,992	-	11,992
Total Assets	$ 2,436,892	$ 951,028	$ 3,387,920
LIABILITIES			
Accounts Payable	$ 281,684	$ -	$ 281,684
Accrued Wages & Benefits	56,208	-	56,208
Due to General Fund	-	864,110	864,110
Deferred Revenues	312,061	86,918	398,979
Total Liabilities	649,953	951,028	1,600,981
FUND BALANCE			
Reserved For:			
Future Year's Operation	230,278	-	230,278
Carryover Grant Matching	52,821	-	52,821
Unreserved, Undesignated:			
General Fund	1,503,840	-	1,503,840
Total Fund Balance	1,786,939	-	1,786,939
Total Liabilities and Fund Balances	$ 2,436,892	$ 951,028	$ 3,387,920

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, 2004

Total Governmental Fund Balances	$	1,786,939
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital Assets used in governmental activities (net)		136,615
Long-term liabilities (compensated absences) are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences		(383,527)
Net Assets of Governmental Activities	$	1,540,027

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2004

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Grantor Agency	$ 89,886	$ 2,968,673	$ 3,058,559
Other	170,385	122,832	293,217
Membership Dues and Assessments	460,555	-	460,555
Total Revenues	720,826	3,091,505	3,812,331
Expenditures:			
Personnel	1,201,063	980,169	2,181,232
Contractual	129,615	1,117,651	1,247,266
Other	317,695	395,562	713,257
Indirect Costs	114,633	733,558	848,191
Capital Outlays	105,211	-	105,211
Total Expenditures	1,868,217	3,226,940	5,095,157
Excess of Expenditures Over Revenues	(1,147,391)	(135,435)	(1,282,826)
Other Financing Sources (Uses):			
Transfers-In	-	135,435	135,435
Transfers-Out	(135,435)	-	(135,435)
Cost Allocation Plan Recoveries	1,426,859	-	1,426,859
Total Other Financing Sources	1,291,424	135,435	1,426,859
Net Change in Fund Balance	144,033	-	144,033
Fund Balance, July 1	1,642,906	-	1,642,906
Fund Balance, June 30	$ 1,786,939	$ -	$ 1,786,939

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, 2004

Net Change in fund balances - total governmental funds	$ 144,033
Amounts reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlay 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 capital outlay ($105,211) exceeds depreciation expense ($41,351) in the current period.	63,860
Government funds report only the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported on each sale.	(3,106)
Compensated absences are reported as expenses in the statement of activities. They do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(127,223)
Changes in net assets of governmental funds	$ 77,564

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission

Notes to the Basic Financial Statements
June 30, 2004

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 57 political subdivisions and 19 non-governmental entities in Montgomery, Greene, Miami, Darke, and Preble 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.

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.
- o It cannot occur at the initial meeting when the request is made unless ¾ of the members present approve.
- o Otherwise, it will occur at the next scheduled meeting.
- Only governmental members located within the MPO Boundary (Greene, Miami and Montgomery counties) 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 4 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 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

MVRPC uses the following fund types:

Governmental Funds:

General Fund - accounts for all revenues and expenditures except for those required to be accounted for in other funds.

Special Revenue Fund - accounts for grant and contract revenues that are legally restricted to expenditures for specified purposes.

Basis of Reporting

The pyramid approach to governmental financial reporting is used. Under MVRPC's adaptation of this approach, combined overview financial statements are used to present data separately for the general fund, the special revenue fund. Combining financial statements are presented for the grants included in the special revenue fund. Supplemental information is also reported to provide grantor agencies with information necessary for them to determine compliance with the financial portions of the grant agreements.

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. For 2004 the assessment was as follows:

Member Type	Regional Planning	Transportation
Counties		
- Total population	$ 0.06/capita	n/a
- Non-member unincorporated areas	0.06/capita	$ 0.21/capita
Municipalities and Townships	$ 0.25/capita	$ 0.21/capita
Quasi and Non-governmental bodies	$ 500/annual	n/a

The total revenue generated from member fees and assessments for MVRPC and for the Transportation Committee was $272,770 and $187,785, respectively.

Special Revenue 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, 2004. The amounts available for completing grant objectives for these grant programs are summarized below by funding type.

Type	Amount
Federal Grants	$ 2,270,578
Other Grants and Contracts	322,465

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (cont'd)

As discussed in note 3, 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 2004 indirect costs were billed at a provisional, of 66% of direct labor dollars, including fringe benefits.

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.

Reserved Fund Balance
Fund Balance is reserved for Carryover Grant Matching. The amount designated for Carryover Grant Matching represents the local contribution that is required to be made for grants that extend beyond the end of the fiscal year.

Budgets
Budgets for the general and special revenue fund are prepared annually 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 2 LEASE COMMITMENTS

MVRPC entered into a noncancellable operating lease agreement for office space effective April 1, 2004 through December 31, 2014 and various office equipment leases that run through FY 2007. The future minimum rental commitments on the noncancellable lease as of June 30, 2004 is as follows:

Fiscal Year Ended	Office Space	Equipment
2005	121,482	18,455
2006	123,384	17,570
2007	123,384	11,133
2008	123,384	0
2009	128,546	0
Thereafter	766,374	0

Total rental expense for the year ended June 30, 2004, was $142,585.

NOTE 3 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 2004

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 oversite grantor agency. The 2004 fringe benefit costs were allocated at a provisional rate of 50.% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 52.42%. 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 2004 indirect costs were allocated at a provisional rate of 66% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 72.84%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

NOTE 4 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 5 INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2004 there was an Interfund Receivable of $864,110 in the General Fund and an Interfund Payable of $864,110 in the Special Revenue Fund. The due to represents amounts for grants receivable at June 30, 2004 from various Federal and State grants.

NOTE 6 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 7 DEFINED BENEFIT PENSION PLANS

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

Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio 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. OPERS administers three separate pension plans. The Traditional Pension Plan (TP) is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan (MD) is 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 the member and (vested) employer contributions plus any investment earnings thereon. The Combined Plan (CO) is a cost-sharing, multiple-employer defined benefit pension. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional 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.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. The Ohio Public Employees Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 E. Town St., Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or 1-800-222-7377.

For the year ended December 31, 2003, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. The Commission's contribution rate for pension benefits for 2003 was 8.55 percent The Ohio Revised Code provides statutory authority for member and employer contributions.

The Commission's required contributions for the periods ended June 30, 2004, 2003, and 2002 were $175,635, $181,548 and $158,212, respectively. In 2003, the Commission implemented a Fringe Benefit Pickup plan for the entire 8.5% employee contribution for certain classes of employees. The Commission's contributions in 2004 under this plan were $9,808.

NOTE 8 OTHER POST-EMPLOYMENT BENEFITS

OPERS administers three separate pension plans: The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan; the Member-Directed Plan (MD) - a defined contribution plan; and the Combined Plan (CO) - 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, survivor and post-retirement health care benefits to qualifying members of both the Traditional and the Combined Plans; however, health care benefits are not statutorily guaranteed. 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 must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the Retirement System is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12.

NOTE 8 OTHER POST-EMPLOYMENT BENEFITS cont'd

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2003 employer contribution rate for local government employer units the rate was 13.55% of covered payroll and 5.00% was used to fund health care for the year.

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

Actuarial Review: The following assumptions and calculations were based on the System's latest Actuarial Review as of December 31, 2002.

Funding Method: An entry age normal 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 the unfunded actuarial accrued liability.

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 annually to reflect 25% of unrealized market appreciation or depreciation on investment assets annually.

Investment Return: The investment assumption rate for 2002 was 8.00%.

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. Additionally, 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 4.00% annually.

OPEBs are advance-funded on an actuarially determined basis. At year-end 2003, the number of active contributing participants in the Traditional and Combined Plans totaled 364,881. The portion of County's contributions that were used to fund postemployment benefits was $66,568. $10.0 billion represents the actuarial value of the Retirement System's net assets available for OPEB at December 31, 2002. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $18.7 billion and $8.7 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" Plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired in an OPERS covered-position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

In response to the adverse investment returns experienced by OPERS from 2000 through 2002 and the continued staggering rate of health are inflation, the OPERS Board, during 2003, considered extending "Choices" type cost cutting measures to all active members and benefit recipients. As of this date, the Board has not determined that exact changes that will be made to the health care plan. However, changes to the plan are expected to be approved by the summer of 2004.

NOTE 9 CAPITAL ASSETS

	Balances at 7/1/2003	Additions	Deletions	Balances at 7/1/2004
Furniture and Fixtures	121,828	69,153	(121,828)	69,153
Equipment	352,159	36,058	(98,513)	289,704
Leasehold Improvements	115,167	-	(115,167)	-
Total	589,154	105,211	(335,508)	358,857
Furniture and Fixtures	121,828	2,194	(121,828)	2,194
Equipment	276,298	39,157	(95,407)	220,048
Leasehold Improvements	115,167	-	(115,167)	-
Total	513,293	41,351 *	(332,402)	222,242
Capital assets, net	75,861	63,860	(3,106)	136,615

* - Depreciation expense was charged to the governmental functions as follows:

General Government	$ 41,351

NOTE 10 LONG TERM OBLIGATIONS

MVRPC records the potential liability for the conversion of accrued sick leave that would be paid out to eligible retirees within the next 12 months of year end. The following is a summary of long-term obligations for the year ended June 30, 2004:

	Amount Outstanding June 30, 2003	Increase	Decrease	Amount Outstanding June 30, 2004	Amount Due Within One Year
Compensated Absences	$ 256,304	232,361	(105,138)	383,527	141,905

Long-term obligations will be paid from the fund from which the employees' salaries are paid.

NOTE 11 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 2004, the Commission contracted with The Hartford Insurance Company and National Union Fire Insurance Company for the following insurance coverage:

Business personal property	$ 615,000
Computer equipment	200,000
Comprehensive general liability	4,000,000
Valuable papers	250,000
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.

NOTE 12 CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

Changes in Accounting Principles

For the fiscal year 2004, Miami Valley Regional Planning Commission implemented the following:

- GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments.*
- GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus.*
- GASB Statement No. 38, *Certain Financial Statement Note Disclosures.*
- GASB Statement No.39, *Determining Whether Certain Organizations Are Component Units.*
- GASB Interpretation No. 6, *Recognition and Measurements of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*

GASB 34 creates new basic financial statements for reporting on the financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

Fund balance – all governmental fund – June 30, 2003	$ 1,642,906
GASB 34 Adjustments:	
Capital Assets	75,861
Long-term liabilities	(256,304)
Governmental activities net assets – June 30, 2003	$ 1,462,463

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund

For the Year Ended June 30, 2004

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Grantor Agency	$ 75,092	$ 107,512	$ 89,886	$ (17,626)
Other	158,268	186,184	170,385	(15,799)
Membership Dues and Assessments	439,605	458,630	460,555	1,925
Total Revenues	672,965	752,326	720,826	(31,500)
Expenditures:				
Personnel	1,519,580	1,305,066	1,201,063	104,003
Contractual	124,600	147,647	129,615	18,032
Other	477,660	445,984	317,695	128,289
Indirect Costs	200,531	115,012	114,633	379
Capital Outlays	50,000	106,600	105,211	1,389
Total Expenditures	2,372,371	2,120,309	1,868,217	252,092
Excess of Expenditures Over Revenues	(1,699,406)	(1,367,983)	(1,147,391)	220,592
Other Financing Sources (Uses):				
Transfers-Out	(119,507)	(139,642)	(135,435)	4,207
Cost Allocation Plan Recoveries	1,623,548	1,444,939	1,426,859	(18,080)
Total Other Financing Sources	1,504,041	1,305,297	1,291,424	(13,873)
Net Change in Fund Balance	(195,365)	(62,686)	144,033	206,719
Fund Balance, July 1, 2003	1,642,906	1,642,906	1,642,906	-
Fund Balance, June 30, 2004	$ 1,447,541	$ 1,580,220	$ 1,786,939	$ 206,719

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Special Revenue Fund

For the Year Ended June 30, 2004

	Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Grantor Agency	$ 5,527,112	$ 3,411,523	$ 2,968,673	$ (442,850)
Other	137,219	131,358	122,832	(8,526)
Total Revenues	5,664,331	3,542,881	3,091,505	(451,376)
Expenditures:				
Personnel	1,147,901	981,382	980,169	1,213
Contractual	3,390,500	1,492,915	1,117,651	375,264
Other	487,823	464,109	395,562	68,547
Indirect Costs	757,614	744,117	733,558	10,559
Total Expenditures	5,783,838	3,682,523	3,226,940	455,583
Excess of Expenditures Over Revenues	(119,507)	(139,642)	(135,435)	4,207
Other Financing Sources (Uses):				
Transfers-In	119,507	139,642	135,435	(4,207)
Total Other Financing Sources	119,507	139,642	135,435	(4,207)
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1, 2003	-	-	-	-
Fund Balance, June 30, 2004	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
Federal Grants

Year Ended June 30, 2004

	Federal Highway Administration (FHWA)/ Ohio Department of Transportation (ODOT)				
	Consolidated Transportation Planning		Long Range Plan Visioning	Dayton CBD 1-way to 2-way Street Study	ITS Architecture Study
	FY 2003	FY 2004			
Revenues:					
Grantor Agency	$ 67,655	$ 914,995	$ 21,045	$ 58,816	$ 115,373
Other	8,458	114,374			
Total Revenues	76,113	1,029,369	21,045	58,816	115,373
Expenditures:					
Personnel	49,221	622,440	-	-	9,676
Contractual	2,500	12,422	20,900	58,816	97,655
Other	2,107	43,048	145	-	800
Indirect Costs	36,838	465,834	-	-	7,242
Total Expenditures	90,666	1,143,744	21,045	58,816	115,373
Excess of Expenditures Over Revenues	(14,553)	(114,375)	-	-	-
Other Financing Sources (Uses):					
Operating Transfers-In	14,553	114,375	-	-	-
Fund Balance - July 1, 2003	-	-	-	-	-
Fund Balance - June 30, 2004	$ -	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
Federal Grants

Year Ended June 30, 2004

	Federal Highway Administration (FHWA)/ Ohio Department of Transportation (ODOT)				
	Regional OZONE Action Program				I70/75 Interchange
	CY 2003	CY 2004	Rideshare	Rideshare	PR Outreach
Revenues:					
Grantor Agency	$ 162,535	$ 123,349	$ 12,064	$ 212,862	$ 49,053
Other	-	-	-	-	-
Total Revenues	162,535	123,349	12,064	212,862	49,053
Expenditures:					
Personnel	50,734	8,482	-	58,694	264
Contractual	4,000	4,000	-	1,675	-
Other	69,831	104,518	12,324	108,567	48,592
Indirect Costs	37,970	6,349	-	43,926	197
Total Expenditures	162,535	123,349	12,324	212,862	49,053
Excess of Expenditures Over Revenues	-	-	(260)	-	-
Other Financing Sources (Uses):					
Operating Transfers-In	-	-	260		-
Fund Balance - July 1, 2003	-	-	-		-
Fund Balance - June 30, 2004	$ -	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
Federal Grants

Year Ended June 30, 2004

	Federal Highway Administration (FHWA)/ Ohio Department of Transportation (ODOT)				
	Greene Co. US 35 Corridor MIS	Montg. Co US 35 Corridor MIS	TIP Management	Inner NW Dayton Trans. Study	I75 @ Central W. Carrollton
Revenues:					
Grantor Agency	$ 322,075	$ 410,016	$ 74,679	$ 226,895	$ 39,992
Other					-
Total Revenues	322,075	410,016	74,679	226,895	39,992
Expenditures:					
Personnel	13,478	20,426	41,606	16,342	5,736
Contractual	298,298	374,165	-	198,256	29,964
Other	212	138	1,935	66	-
Indirect Costs	10,087	15,287	31,138	12,231	4,292
Total Expenditures	322,075	410,016	74,679	226,895	39,992
Excess of Expenditures Over Revenues	-	-	-	-	-
Other Financing Sources (Uses):					
Operating Transfers-In	-	-	-		-
Fund Balance - July 1, 2003	-	-	-	-	-
Fund Balance - June 30, 2004	$ -	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
Federal Grants

Year Ended June 30, 2004

	Federal Highway Administration (FHWA)/ Ohio Department of Transportation (ODOT)				Federal Transit Admin
	US 42 and US 35 Upgrade	Supplemental PL Funds	Western Montg Co Transportation Plan	Austin Road Access Assessment	MIS for Dayton Light Rail OH-03-0173
Revenues:					
Grantor Agency	$ 14,099	$ 17,311	$ 9,415	$ 13,484	$ 41,718
Other	-	-	-	-	-
Total Revenues	14,099	17,311	9,415	13,484	41,718
Expenditures:					
Personnel	8,015	9,316	5,377	7,667	14,466
Contractual	-	-	-	-	15,000
Other	86	1,070	14	79	1,426
Indirect Costs	5,998	6,971	4,024	5,738	10,826
Total Expenditures	14,099	17,357	9,415	13,484	41,718
Excess of Expenditures Over Revenues	-	(46)	-	-	-
Other Financing Sources (Uses):					
Operating Transfers-In	-	46	-	-	-
Fund Balance - July 1, 2003	-	-	-	-	-
Fund Balance - June 30, 2004	$ -	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Fund
Federal Grants

Year Ended June 30, 2004

	U.S. Environmental Protection Agency		U.S. Department of Interior U.S. Geological Survey	
	Ohio Environmental Protection Agency Water Quality Mgmt FY2004 604(b)	Miami Conservancy District Great Miami River Watershed Initiative	Metadate Creation 03HQAG0160	Total Federal Grants
Revenues:				
Grantor Agency	$ 50,211	$ 2,031	$ 9,000	2,968,673
Other	-	-	-	122,832
Total Revenues	50,211	2,031	9,000	3,091,505
Expenditures:				
Personnel	28,830	1,549	7,850	980,169
Contractual	-	-	-	1,117,651
Other	312	-	292	395,562
Indirect Costs	21,576	1,159	5,875	733,558
Total Expenditures	50,718	2,708	14,017	3,226,940
Excess of Expenditures Over Revenues	(507)	(677)	(5,017)	135,435
Other Financing Sources (Uses):				
Operating Transfers-In	507	677	5,017	135,435
Fund Balance - July 1, 2003	-	-	-	-
Fund Balance - June 30, 2004	$ -	$ -	$ -	$ -

Miami Valley Regional Planning Commission

Statement of Capital Assets

June 30, 2004

Capital Assets	
Furniture and Fixtures	$ 69,153
Equipment	289,704
Total Capital Assets	358,857
Less: Accumulated Depreciation	(222,242)
Total Capital Assets, net	$ 136,615

Investment in Capital Assets	
General Fund	$ 346,552
Special Revenue Funds	12,305
Total Investment in Capital Assets	358,857
Less: Accumulated Depreciation	(222,242)
Total Capital Assets, net	$ 136,615

Miami Valley Regional Planning Commission

Statement of Changes in Capital Assets

Year Ended June 30, 2004

	Balances at 7/1/03	Additions	Deletions	Balances at 6/30/04
Furniture and Fixtures	$ 121,828	69,153	(121,828)	$ 69,153
Equipment	352,159	36,058	(98,513)	289,704
Leasehold Improvements	115,167	-	(115,167)	-
Total	$ 589,154	105,211	(335,508)	$ 358,857
Accumulated Depreciation	(513,293)	(41,351)	332,402	(222,242)
Total Capital Assets, net	$ 75,861	63,860	(3,106)	$ 136,615

Miami Valley Regional Planning Commission

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

Year Ended June 30, 2004

Fringe Benefit Cost Pool Charges:	
Public Employees Retirement System Contributions	$ 183,257
Health Insurance Premiums	149,971
Life Insurance Premiums	1,450
Workers' Compensation Premiums	11,819
Unemployment Insurance	2,111
F.I.C.A. (Medicare) Expenses	15,329
Sick Leave Pay	32,756
Holiday Pay	51,233
Vacation, Personal and Other Leave	105,224
Retirement Pay	10,423
Other Fringe Benefit Costs	15,121
Total Fringe Benefit Cost Pool Charges	$ 578,694
Fringe Benefit Cost Rate Base:	
Salaries	$ 1,103,904
Final Fringe Benefit Cost Rate Computation:	
Total Fringe Benefit Cost Pool Charges	$ 578,694
Divided By: Total Fringe Benefit Cost Rate Base	1,103,904
Equals - Final Fringe Benefit Cost Rate	52.42%
Current Year's Cost Recovery Comparison:	
Fringe Benefit Costs Recovered	$ 578,666
Total Fringe Benefit Cost Pool Charges	578,694
Over (Under) Recovered Costs	$ (28)

Miami Valley Regional Planning Commission

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

Year Ended June 30, 2004

Indirect Cost Pool Charges:		
Salaries	$	354,363
Allocated Fringe Benefits (52.42%)		185,757
Contractual Services		49,814
Communication and Supplies		52,104
Rents and Rentals		136,015
Travel		909
Maintenance and Repairs		8,276
Other Costs		32,249
Allowance for Depreciation		44,456
Subtotal		863,943
Less: Revenues		15,707
Total Indirect Costs	$	848,236

Indirect Cost Rate Base:		
Direct Salaries	$	743,565
Allocated Fringe Benefits 52.42%		389,776
Total Indirect Cost Rate Base	$	1,133,341

Final Indirect Cost Rate Computation:		
Total Indirect Cost Pool Charges	$	848,236
Divided By: Total Indirect Cost Rate Base	$	1,133,341
Equals - Final Indirect Cost Rate		74.84%

Miami Valley Regional Planning Commission

Schedule of Revenues and Expenditures - Federal Transit Administration and Federal Highway Administration/Ohio Department of Transportation - Fiscal Year 2004 Transportation Consolidated Planning Grant Work Elements

	601 Short Range	602 Transportation Improvement Program	605 Monitoring and Surveillance	610 Review & Appraisal	625 Service	695 Transportation Program Administration	697 Transportation Annual Report	Total
Revenues:								
Federal Transit Administration / Federal Highway Administration CPG Grant	$ 49,573.61	$ 26,363.27	$ 320,959.67	$ 324,019.28	$ 85,601.01	$ 95,396.10	$ 13,082.52	$ 914,995.46
Ohio Dept. of Transporation Match to CPG Grant	6,196.22	3,295.43	40,119.99	40,502.42	10,700.15	11,924.54	1,635.31	114,374.06
Total Revenues	55,769.83	29,658.70	361,079.66	364,521.70	96,301.16	107,320.64	14,717.83	1,029,369.52
Other Financing Sources:								
Operating Transfers-In	6,197.47	3,295.38	40,119.95	40,502.37	10,700.09	11,924.50	1,635.30	114,375.06
Total Revenues and Other Sources	$ 61,967.30	$ 32,954.08	$ 401,199.61	$ 405,024.07	$ 107,001.25	$ 119,245.14	$ 16,353.13	$ 1,143,744.58
Expenditures:								
Salaries	$ 22,913.84	$ 12,350.76	$ 147,759.28	$ 143,451.52	$ 37,258.96	$ 43,279.72	$ 1,357.62	$ 408,371.70
Fringe Benefits	12,011.43	6,474.27	77,455.41	75,197.29	19,531.15	22,687.23	711.66	214,068.44
Contract Services	-	-	-	-	-	-	12,302.29	12,302.29
Other	903.96	40.40	7,434.25	22,738.50	7,709.42	3,908.52	432.91	43,167.96
Indirect Costs	26,138.07	14,088.65	168,550.67	163,636.76	42,501.72	49,369.67	1,548.65	465,834.19
Total Expenditures	$ 61,967.30	$ 32,954.08	$ 401,199.61	$ 405,024.07	$ 107,001.25	$ 119,245.14	$ 16,353.13	$ 1,143,744.58

Miami Valley Regional Planning Commission

Board Members

Governmental Members	Member	Alternate
Beavercreek	Richard Perales	Joy Brailey
Beavercreek Township	Carol Graff	Richard Little
Bellbrook	Pat Campbell	Robert Baird
Bethel Township	Jerome Hirt, Sr.	Matthew Davis
Brookville	David Seagraves	John Wright
Butler Township	Eleanor Lewis	Joseph Flanagan Jr.
Carlisle	Gerald Ellender	Brad Townsend
Centerville	C. Mark Kingseed	Douglas Cline
Clay Township	Donald Aukerman	William Watt
Clayton	Tim Gorman	David Rowlands
College Corner	James Jackson	vacant
Concord Township	Robert Shook	Warren Davidson
Darke County	Terry Haworth	Robert Downing
Dayton	Richard Zimmer	Matt Joseph
Eldorado	Esther Thompson	Rod Dunham
Englewood	Judy Gerhard	Eric Smith
Fairborn	Thomas Nagel	Michael Cornell
Farmersville	Peter Citro	Thomas Sears
Franklin	Scott Lipps	James Lukas
Franklin Township	Elmo Rose	vacant
German Township	Gregory Hanahan	Lowell Draffen
Germantown	David Marsh	Scott Pickup
Greene County	Marilyn Reed	Reed Madden
Greenville	Steve Gruber	John Burkett
Harrison Township	David Woods	George Curry
Huber Heights	Jan Vargo	Jack Hensley
Jamestown	Donald Kolesar	Aaron Kilbarger
Jefferson Township	Brice Sims	Robert Bradley
Kettering	Donald Patterson, Jr.	Bruce Duke
Miami County	B. Ronald Widener	Daniel Brandewie
Miami Township	Deborah Preston	Greg Hanahan
Miamisburg	Richard Church	John Weithofer
Monroe Township	James Flesher	Martin English
Montrgomery County	Charles Curran	Deborah Feldman
Moraine	Robert Rosencrans	Bryon Blake
New Carlisle	Charles Harvey	Tina Roberts
New Lebanon	Larry Shock	Anna Clark
New Madison	Patty Jackson	Steve Eadler
Oakwood	Carlo McGinnis	Norbert Klopsch
Perry Township	Gerald Peters	vacant
Phillipsburg	Charles Marquis	Ken Henz
Piqua	Robert DeBrosse	Frank Barhorst
Riverside	Sara Lommatzsch	Johnie Doan

Miami Valley Regional Planning Commission

Board Members

	Member	Alternate
Governmental Members		
Springboro	John Agenbroad	Chris Pozzuto
Sugarcreek Township	Marvin Moeller	Nadine Daugherty
Tipp City	Donald Ochs	Bill Beagle
Trotwood	Charles Vaughn	Frank Myers
Troy	Michael Beamish	David Anderson
Union	Robert Packard	John Applegate
Union Township	George Mote	Bill Coate
Vandalia	William Loy	Hal Hunter
Washington Township	Joyce Young	Gary Huff
West Carrollton	Jack Jensen	William Gordon
West Milton	Donald Hamann, Sr.	Marty Gabbard
Xenia	Eric Winston	John Saraga
Xenia Twp	Richard Montgomery	vacant
Yellow Springs	Denise Swinger	Tony Arnett
Other Governmental Members		
Five Rivers Metro Parks	Charlie Shoemaker	Carrie Scarff
Greene County Engineer	Robert Geyer	vacant
Greene County Transit Board	Jack Harding	Richard Schultze
Greater Dayton Regional Transit Authority	Minnie Fells Johnson	James Foster
Miami Conservancy District	Janet Bly	Hans Landefeld
Miami County Engineer	Douglas Christian	Paul Huelskamp
Miami County Regional Transit Authority	Doug Farmer	Andrew Votava
Montgomery County Engineer	Joseph Litvin	Robert Hoag
Montg. Co. Transportation Improvement District	Steve Stanley	Eric Cluxton
Ohio Dept. of Transportation - District 7	William L. harrison	Randy Chevalley
Ohio Dept. of Transportation - District 8	Hans Jindal	vacant
Sinclair Community College	Stephan Jonas	vacant
Wright State University	Robert Hickey	Jack Dustin
WPAFB	Col. Andrew Weaver	Col. Stephen Werner
Non-Governmental Members		
Bank One	Bradley Tidwell	Lawrence Clarke
Dayton Area Chamber of Commerce	Phillip Parker	Bryan Bucklew
Dayton Power & Light	Art Meyer	Ginny Strausburg
Delphi Automotive Systems	Robert Jordan	vacant
General Motors	Paul Dorsten	Janell Smith
Greater Dayton Area Hospital Association	Greg Sample	vacant
Issue 9 Group	Richard Wright	vacant
Jet Express	Kevin Burch	Greg Atkinson
MeadWestvaco	Timothy Nusbaum	Peter Vogel
Miller-Valentine Group	Michael Greitzer	Eric Joo
Montgomery County Farm Bureau	Sarajane Steinecker	Dale Seim
National City Bank	Tom Studevant	vacant

Miami Valley Regional Planning Commission

Board Members

	Member	Alternate
Non-Governmental Members		
SBC	Toni Perry-Gillispie	vacant
South Metro Reg Chamber of Commerce	Julia Maxton	Stephen Allaire
Time Warner Cable Western Ohio	Richard Hutchison	Michael Gray
University of Dayton	S. Ted Bucaro	Richard Perales
Vectern Energy Delivery of Ohio	Stephen Bramlage	Jon Luttrell

Miami Valley Regional Planning Commission

Executive Committee

Chair:	B. Ronald Widener	Miami County
First Vice-Chair:	Jack Jensen	City of West Carrollton
Second Vice-Chair:	Marilyn Reed	Greene County
DARKE COUNTY:	Terry Haworth	Darke County
GREENE COUNTY:	Richard Perales	City of Beavercreek
	Pat Campbell	City of Bellbrook
	Richard Montgomery	Xenia Township
MIAMI COUNTY:	Jerome Hirt, Sr.	Bethel Township
	Donald Ochs	City of Tipp City
MONTGOMERY COUNTY:	Charles Curran	Montgomery County
	Richard Church	City of Miamisburg
	Richard Zimmer	City of Dayton
	Donald Patterson	City of Kettering
	Joyce Young	Washington Township
NONGOVERNMENTAL:	Phillip Parker	Dayton Area Chamber of Commerce
	Stephen Bramlage	Vectren Energy Delivery of Ohio
	Stephen Jonas	Sinclair Community College

Miami Valley Regional Planning Commission
Schedule of Federal Awards Expenditures
Year Ended June 30, 2004

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Number	Program or Award Amount	Total Federal Share	Unexpended Program Amount 7/1/2003	Federal Share of Expenditures	MVRPC Matching Expen-ditures	Other Matching Expen-ditures	Other	Unexpended Program Amount 6/30/2004
Environmental Protection Agency										
Pass-Through, Ohio Environmental Protection Agency										
Water Quality Management	66.454	604(b) FY 2004	50,241	50,211	50,211	50,211	-	-	-	-
Pass-Through, Miami Conservancy District										
Targeted Watershed Grant	66.439	WS-96511901-0	174,688	131,016	174,688	2,031	677	-	-	171,980
Total Environmental Protection Agency					$ 224,899	$ 52,242	$ 677	$ -	$ -	$ 171,980
U.S. Department of the Interior										
U.S. Geological Survey										
Metadata Creation & Implementation	15.809	03HQAG0160	13,500	9,000	13,500	9,000	4,500	-	-	-
Department of Transportation										
Federal Transit Administration										
Section 5309 New Start	20.500	OH-03-0173-00	$ 992,550	$ 992,550	$ 91,404	$ 41,718	$ -	$ -	$ -	$ 49,686
Pass-Through, Ohio Department of Transportation										
Highway Planning and Construction	20.205	Consolidated Planning FY 99	$ 937,128	$ 749,702	$ 96,583	$ -	$ -	$ -	$ -	$ 96,583
	20.205	Consolidated Planning FY 2003	1,168,862	935,088	84,571	67,655	8,458	8,458	-	-
	20.205	Consolidated Planning FY 2004	1,145,074	916,059	1,145,074	914,995	114,375	114,374	1,330	-
	20.205	Rideshare FY 2001 - FY 2003	690,000	690,000	12,064	12,064	-	-	-	-
	20.205	Rideshare FY 2004	253,000	253,000	253,000	212,862	-	-	40,138	-
	20.205	Regional OZONE CY 2003	253,000	253,000	163,074	162,535	-	-	539	-
	20.205	Regional OZONE CY 2004	260,000	260,000	260,000	123,349	-	-	136,651	-
	20.205	ITS Arch	130,000	130,000	130,000	115,373	-	-		14,627
	20.205	I75 @ S. Dixie/Central Ave	500,000	500,000	415,838	39,992	-	-	350,000	25,846
	20.205	IR 70/75 Interchng PR Campaign	331,015	331,015	232,779	49,053	-	-	183,726	-
	20.205	TIP Management/Supplemental	92,311	92,311	92,311	91,990	-	-	321	-
	20.205	Greene Co US35 Corridor MIS	1,000,000	1,000,000	945,614	322,075	-	-	-	623,539
	20.205	Montg. Co US35 Corridor MIS	1,000,000	1,000,000	861,439	410,016	-	-	325,000	126,423
	20.205	Dayton CBD 1-way to 2-way St	110,000	110,000	60,959	58,816	-	-	2,143	-
	20.205	Dayton Renaissance Plan	500,000	500,000	500,000	226,895	-	-	-	273,105
	20.205	US42/35 Upgrade Study	248,375	248,375	248,375	14,099	-	-	-	234,276
	20.205	Austin Road	70,000	70,000	70,000	13,484	-	-	-	56,516
	20.205	Western Montg Co Transp. Plan	250,000	250,000	250,000	9,415	-	-	-	240,585
	20.205	Long Range Plan Visioning	75,000	75,000	53,913	21,045	-	-	-	32,868
Total Highway Planning and Construction					5,875,594	2,865,713	122,833	122,832	1,039,848	1,724,368
Total Department of Transportation					5,966,998	2,907,431	122,833	122,832	1,039,848	1,774,054
Total Federal Financial Assistance					$ 6,205,397	$ 2,968,673	$ 128,010	$ 122,832	$ 1,039,848	$ 1,946,034

Miami Valley Regional Planning Commission

Notes to the Schedule of Federal Awards Expenditures
June 30, 2004

Note 1. Some federal financial assistance programs require MVRPC to match expenditures made with their own funds or funds received from other sources. The matching requirements are at various rates as governed by the specific grant agreement.

Note 2. The "Other" category consists of grant amounts that were refunded to or canceled by Grantor Agency as listed below:

Department of Transportation – Consolidated Planning FY 2004 – Canceled
Department of Transportation – Rideshare FY 2004 – Canceled
Department of Transportation – OZONE CY 2003 – Canceled
Department of Transportation – OZONE CY 2004 – Canceled
Department of Transportation – I75 @ S. Dixie - Canceled
Department of Transportation – IR 70/75 Interchange PRITS – Canceled
Department of Transportation – TIP Management - Canceled
Department of Transportation – Montg Co US35 Corridor MIS- Canceled
Department of Transportation – Dayton CBD 1-way to 2-way – Canceled

Note 3. The federal assistance funds received from the Department of Transportation through the Ohio Department of Transportation and reported under CFDA number 20.205 titled Transportation Planning was a consolidation of funds from the Federal Highway Administration 's Highway Planning and Construction and the Federal Transit Administration's Section 5303 Technical Studies Grant.

Note 4. The Schedule of Federal Awards Expenditures was prepared using the accrual basis method of accounting

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Miami Valley Regional Planning Commission

We have audited the financial statements of Miami Valley Regional Planning Commission as of and for the year ended June 30, 2004, and have issued our report thereon dated October 1, 2004 in which we noted the Miami Valley Regional Planning Commission adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government's*, GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government's: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*. 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 Control Over Financial Reporting

In planning and performing our audit, we considered Miami Valley Regional Planning Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Miami Valley Regional Planning Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 of the audit committee, management, the Auditor of State of Ohio, 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 1, 2004

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Board of Directors and Members
Miami Valley Regional Planning Commission

Compliance

We have audited the compliance of Miami Valley Regional Planning Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The Miami Valley Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Miami Valley Regional Planning Commission's management. Our responsibility is to express an opinion on Miami Valley Regional Planning Commission'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 contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Miami Valley Regional Planning Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Miami Valley Regional Planning Commission's compliance with those requirements.

In our opinion, Miami Valley Regional Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Miami Valley Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Miami Valley Regional Planning Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, the Auditor of State of Ohio, 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
October 1, 2004

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505

MIAMI VALLEY REGIONAL PLANNING COMMISSION

JUNE 30, 2004

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Were there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions 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 § .510?	No
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction; CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Findings: None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings: None

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .315(b)

Miami Valley Regional Planning Commission

June 30, 2004

Prior Audit Findings:

None

Auditor of State
Betty Montgomery

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
FEBRUARY 24, 2005