MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY, OHIO

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2007

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

Mary Taylor, CPA
Auditor of State

Board of Directors
Miami Valley Regional Planning Commission
One Dayton Center
One South Main Street, Suite 260
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, 2006 through June 30, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 14, 2008

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MIAMI VALLEY REGIONAL PLANNING COMMISSION
AUDIT REPORT
For the Year Ended June 30, 2007

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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, 2007, 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 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 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 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 Regional Planning Commission, as of June 30, 2007, 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 discussed in Note 3, MVRPC changed its method of accounting for compensated absences.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2007 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 and the budgetary comparison on pages 3 through 7 and 25 through 26, respectively, 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 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 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 27-31 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 12, 2007

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, 2007. 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 2007 are as follows:

Overall:

- Total net assets decreased $88,478, which represents about a 5 percent decrease from a restated fiscal year 2006.

- Total assets of governmental activities increased by $13,312, with the receivables increasing by $236,016 and capital assets, net of depreciation decreasing by $46,793.

- General revenues accounted for $451,033 or 13.1 percent of total revenue. Program specific revenues in the form of charges for services and operating grants account for $2.99 million or 86.9 percent of total revenues of $3.45 million.

- Of the MVRPC's $3.5 million in expenses, $2.97 million were offset by program specific revenue for services, grants or contributions. General revenues (primarily membership dues and miscellaneous income) were used to cover most of the net expense of $566 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 Grant 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 2007?" 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, 2007.

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 2007 and 2006:

TABLE 1
NET ASSETS

	2007	2006-Restated	Change
ASSETS			
Current Assets	$ 2,712,013	$ 2,651,988	$ 60,025
Capital Assets Being Depreciated (net)	183,554	230,347	(46,793)
Total Assets	$ 2,895,567	$ 2,882,335	$ 13,232
LIABILITIES			
Current Liabilities	$ 828,235	$ 756,652	$ 71,583
Long Term Liabilities	262,450	232,323	30,127
Total Liabilities	$ 1,090,685	$ 988,975	$ 101,710
NET ASSETS			
Investment in Capital Assets, net of related debt	$ 183,554	$ 230,347	$ (46,793)
Unrestricted	1,621,328	1,663,013	(41,685)
Total Net Assets	$ 1,804,882	$ 1,893,360	$ (88,478)

The amount by which the MVRPC's assets exceeded its liabilities is called net assets. As of June 30, 2007, the MVRPC's net assets were $1.8 million. MVRPC's total liabilities increased by $101 thousand. Also, net assets decreased by $88 thousand. These changes are primarily due to implementing an early retirement incentive plan which increased retirement liability and personnel expense. While about a third of the early retirement expense was allowed to be included in cost recovery revenue during the fiscal year, the remainder is expected to be fully recovered in FY2008 and FY2009.

Net assets and liabilities for FY2006 are restated to reflect a change in an accounting estimate for sick leave liability. FY2006 Liabilities were reduced by $216 thousand and net assets were increased by the same amount to reflect Governmental Accounting Standards Board (GASB) Financial reporting standards.

Of the total net asset amount, approximately $183 thousand was invested in capital assets, net of debt related to those assets. The remaining balance of $1.6 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 2007 compared to 2006.

CHANGE IN NET ASSETS

	2007	2006	Change
Revenues			
Program Revenues:			
Operating Grants	$ 2,969,935	$ 3,328,589	$ (358,654)
General Revenues:			
Membership Dues	477,588	486,436	(8,848)
Miscellaneous	-	8,174	(8,174)
Total Revenues	$ 3,447,523	$ 3,823,199	$ (375,676)
Program Expenses			
General Government	$ 345,392	$ 340,908	$ 4,484
Transportation Planning	2,999,060	2,830,858	168,202
Environmental Planning	69,386	101,980	(32,594)
Regional Planning	122,163	502,411	(380,248)
Total Expenses	$ 3,536,001	$ 3,776,157	$ (240,156)
Increase in Net Assets	$ (88,478)	$ 47,042	$ (135,520)

Operating grants decreased by $359 thousand from 2006. This was primarily due to completion of regional planning and general government projects.

MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 87 percent of the MVRPC's total revenue was received from intergovernmental sources during fiscal year 2007. 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 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 the Grant Fund. The MVRPC uses two funds to account for a multitude of financial transactions. Both of these funds are considered significant.

The General Fund had total revenue of $0.6 million and other financing sources of $1.5 million. Expenditures totaled $1.9 million. Fund balance increased by $143 thousand in 2007 to $2.10 million.

The Grant Fund provides the detail of all federal grants received by MVRPC. The Grant Fund had total revenues of $2.8 million. This was intergovernmental revenues from federal grants, primarily from the U. S. Department of Transportation. The use of these funds had local matching requirements of $161 thousand. This was provided by the General Fund as operating transfers-in. This corresponded to leveraging $1 of local funds to obtain $17.64 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 Grant Fund.

During the course of fiscal year 2007, the MVRPC amended its budget two times. Actual revenue and expenses were both less than budget. Governmental statements only show early retirement incentive plan (ERIP) expenses paid out over the current period, while the statement of activities shows a fully accrued accounting of the total ERIP expenses and liabilities.

Capital Assets

At the end of fiscal year 2007, the MVRPC had $184 thousand invested in furniture, equipment, and leasehold improvements in governmental activities.

Table 3 shows fiscal year 2007 balances compared to 2006:

TABLE 3

Capital Assets at June 30

	2007	2006
Furniture	$ 69,153	$ 69,153
Equipment	348,955	378,679
Leasehold Improvements	68,556	68,556
Less: Accumulated Depreciation	(303,110)	(286,041)
Net Capital Assets	$ 183,554	230,347

Overall capital assets decreased approximately $46 thousand from fiscal year 2006.

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. These grants are authorized by the U.S. Congress through the Transportation Equity Act for the Twenty-first Century.

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 runs through September 30, 2009, provides increased funding for transportation systems.

The Act is the vehicle by which federal funds are provided to Metropolitan Planning Organizations (MPO). MVRPC is the MPO for this region. MVRPC's analysis of the Act projects a small increase in funding for our basic transportation planning grant in subsequent years.

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, 2007

ASSETS		
Cash	$	1,836,152
Accounts Receivable		16,296
Grants Receivable		832,976
Prepaid Expenses		26,589
Capital Assets Being Depreciated (net)		183,554
Total Assets		2,895,567
LIABILITIES		
Accounts Payable		215,137
Accrued Personnel Costs		65,663
Unearned Revenues		330,970
Long Term Liabilities:		
Due within one year		216,465
Due in more than one year		262,450
Total Liabilities		1,090,685
NET ASSETS		
Investment in Capital Assets, net of related debt		172,426
Unrestricted		1,632,456
Total Net Assets	$	1,804,882

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission
Statement of Activities
For the Year Ended June 30, 2007

Governmental Activities	Expenses	Program Revenues Operating Grants	Net (Expenses) Revenues and Change in Net Assets Governmental Activities
General Government	$ 345,392	$ 25,830	$ (319,562)
Transportation Planning	2,999,060	2,818,850	(180,210)
Environmental Planning	69,386	67,927	(1,459)
Regional Planning	122,163	57,328	(64,835)
Total Governmental Activities	$ 3,536,001	$ 2,969,935	(566,066)
General Revenues:			
Membership Dues			477,588
Total General Revenues			477,588
Changes in Net Assets			(88,478)
Net Assets, July 1-Restated Note 3			1,893,360
Net Assets, June 30			$ 1,804,882

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission
Balance Sheet
Governmental Funds
As of June 30, 2007

	General Fund	Grant Fund	Total Governmental Funds
ASSETS			
Cash	$ 1,628,617	$ 207,535	$ 1,836,152
Accounts Receivable	16,296	-	16,296
Grants Receivable	-	832,976	832,976
Due From Special Revenue Fund	832,976	-	832,976
Prepaid Expenses	26,589	-	26,589
Total Assets and Other Debits	$ 2,504,478	$ 1,040,511	$ 3,544,989
LIABILITIES			
Accounts Payable	$ 215,137	$ -	$ 215,137
Accrued Wages & Benefits	65,663	-	65,663
Due to General Fund	-	832,976	832,976
Unearned Revenues	123,435	207,535	330,970
Total Liabilities	404,235	1,040,511	1,444,746
FUND BALANCE			
Unreserved - Designated For:			
Future Year's Operation	238,794	-	238,794
Unreserved/Undesignated	1,861,449	-	1,861,449
Total Fund Balance	2,100,243	-	2,100,243
Total Liabilities and Fund Balances	$ 2,504,478	$ 1,040,511	$ 3,544,989

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, 2007

Total Governmental Fund Balances	$	2,100,243
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital Assets used in governmental activities (net)		183,554
The following liabilities are not due and payable in the current period and therefore are not reported in the Governmental funds:		
Compensated absences		(117,371)
Capital lease		(11,128)
Early retirement incentive program		(350,416)
Net Assets of Governmental Activities	$	1,804,882

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, 2007

	General Fund	Grant Fund	Total Governmental Funds
Revenues:			
Grantor Agency	$ 98,381	$ 2,670,053	$ 2,768,434
Other	31,695	169,805	201,500
Membership Dues	477,588	-	477,588
Total Revenues	607,664	2,839,858	3,447,522
Expenditures:			
Personnel	1,500,776	1,333,127	2,833,903
Contractual	99,237	615,474	714,711
Other	285,621	299,173	584,794
Indirect Costs	70,560	753,036	823,596
Capital Outlays	12,374	-	12,374
Total Expenditures	1,968,568	3,000,810	4,969,378
Excess of Expenditures Over Revenues	(1,360,904)	(160,952)	(1,521,856)
Other Financing Sources (Uses):			
Transfers-In	-	160,952	160,952
Transfers-Out	(160,952)	-	(160,952)
Cost Allocation Plan Recoveries	1,664,837	-	1,664,837
Total Other Financing Sources	1,503,885	160,952	1,664,837
Change in Fund Balances	142,981	-	142,981
Fund Balance, July 1	1,957,262	-	1,957,262
Fund Balance, June 30	$ 2,100,243	$ -	$ 2,100,243

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, 2007

Net Change in fund balances - total governmental funds	$ 142,981
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.	(46,535)
Loss on the disposition of Capital Assets	(258)
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	17,771
Capital lease payable	(2,918)
Long term portion of early retirement incentive program	(199,519)
Changes in net assets of total governmental activities	$ (88,478)

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 54 political subdivisions, 15 other governmental agencies, and 15 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 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 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of MVRPC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. MVRPC also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of MVRPC accounting policies are described below.

Basis of Presentation
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.

Government-Wide Financial Statements
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.

Fund Financial Statements
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.

Fund Accounting
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.

Governmental Funds
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 Grant Fund are the only major funds of MVRPC:

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

Grant Fund – 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.

The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

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 2007 the assessment was as follows:

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 $477,588.

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, 2007. The amounts available for completing grant objectives for these grant programs are summarized below by funding type:

Type	Amount
Federal Grants	$ 1,093,210
Other Grants and Contracts	562,953

MVRPC's required match for these carry over funds is approximately $100,000.

As discussed in note 5, 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 2007 indirect costs were billed at a provisional rate of 59% of direct labor dollars, including fringe benefits.

Unreserved/Designated Fund Balance
The amount designated for Future Year's Operation represents 50% of the current membership dues. This amount is designated because the 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 grant 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- (Continued)

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 CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT

MVRPC changed its method of accruing sick leave in 2006 to the vesting method. Employees with 10 years of employment may convert unused sick leave upon termination at the ratio of 4 to 1, up to a maximum of 30 days. The resulting adjustment increased beginning net assets by $216,378 as follows:

	Governmental Activities
June 30, 2006 Net Assets, as previously reported	$ 1,676,982
Prior Period Adjustment	216,378
June 30, 2006 Net Assets, as restated	$ 1,893,360

NOTE 4 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, 2007 is as follows:

Fiscal Year Ended		Office Space		Equipment
2008		$131,259		$2,616
2009		136,421		2,616
2010		133,709		2,616
2011		133,709		1,962
2012		138,871		-
2013-2015		360,085		-

Total rental expense for the year ended June 30, 2007, was $140,268.

NOTE 5 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 2007

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 2007 fringe benefit costs were allocated at a provisional rate of 75% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 76.614%. 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 2007 indirect costs were allocated at a provisional rate of 59% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 56.486%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

NOTE 6 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 by 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 7 INTERFUND ACTIVITY

As of June 30, 2007 there was an Interfund Receivable of $832,976 in the General Fund and an Interfund Payable of $832,976 in the Grant Fund. The due to represents amounts for grants receivable at June 30, 2007 from various Federal and State grants.

During the year ended June 30, 2007 the General Fund transferred $160,952 to the Grant Fund to provide local matching funds associated with federal grant programs.

NOTE 8 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 9 <u>DEFINED BENEFIT PENSION PLANS</u>

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

<u>Public Employees Retirement System (the "PERS of Ohio")</u>

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

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

The Traditional Pension Plan - a cost sharing, multiple-employer defined benefit pension plan.

The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

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.

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.

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2006, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The MVRPC's contribution rate for pension benefits for 2006 was 13.7 percent. In 2007, the contribution rates for members and employers were increased to 9.5% and 13.85% respectively.

The MVRPC's required contributions for the periods ended June 30, 2007, 2006, and 2005 were $181,033, $189,460, and $180,168, respectively. The full amount has been contributed for 2006 and 2005. 96% has been contributed for 2007 with the remainder reported as a liability.

In 2003, the MVRPC implemented a Fringe Benefit Pickup plan for the entire employee contribution for certain classes of employees. The MVRPC's contributions in 2007 under this plan were $9,733.

NOTE 10 <u>OTHER POST-EMPLOYMENT BENEFITS</u>

Plan Description

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.

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS- (Continued)

OPERS provides retirement, disability, and survivor benefits as well as a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of 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 postretirement 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 Postemployment Benefit (OPEB) as described in GASB Statement 12. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The MVRPC contributed at 13.70% of covered payroll in 2006 and 13.85% in 2007. The 2006 portion of employer contributions, for all employers, allocated to health care was 4.50% and the 2007 portion was 5.0%. The MVRPC's 2007 contribution for postemployment benefits was $63,361.

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

Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2005.

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.

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 2005 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 6% for the next 9 years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

OPEB is advance-funded on an actuarially determined basis.

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS- (Continued)

1. The Traditional Pension and Combined Plans had 369,214 active contributing participants as of December 31, 2006. The number of active contributing participants for both plans used in the December 31, 2005, actuarial valuation was 358,804.

2. The amount of $11.1 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2005.

3. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2005, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at $31.3 billion and $20.2 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, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow 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 2006, the Commission contributed at 13.70% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units, and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered 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 employer contribution allocated to the health care plan for 2006 was 4.5% and for 2007 was 5.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

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 2007 contributions by 0.3285 for local government employers which is $59,469.

Miami Valley Regional Planning Commission
Notes to the Basic Financial Statements
June 30, 2007

NOTE 11 CAPITAL ASSETS

	Balances at 7/1/06	Additions	Deletions	Balances at 6/30/07
Capital Assets				
Furniture and Fixtures	$ 69,153	-	-	$ 69,153
Equipment	378,679	$ 23,501	$ (53,225)	348,955
Leasehold Improvements	68,556	-	-	68,556
Total Capital Assets	516,388	23,501	(53,225)	486,664
Accumulated Depreciation				
Furniture and Fixtures	21,952	9,879	-	31,831
Equipment	257,233	46,446	(52,967)	250,712
Leasehold Improvements	6,856	13,711	-	20,567
Total Accumulated Depreciation	286,041	70,036	(52,967)	303,110
Total Capital Assets, net	$ 230,347	($ 46,535)	($ 258)	$ 183,554

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

General Government	$ 70,036

NOTE 12 SHORT AND LONG TERM OBLIGATIONS

The following is a summary of long-term obligations for the year ended June 30, 2007:

	Outstanding 06/30/2006	Increases	Decreases	Outstanding 06/30/2007	Amount Due Within One Year
Compensated absences	$135,142	$104,580	$(122,351)	$117,371	$ 31,036
Early retirement Incentive Plan	145,061	419,215	(213,860)	350,416	182,593
Capital Lease	14,046	-	(2,918)	11,128	2,836
Total Long Term Obligations	$294,249	$523,795	$(339,129)	$478,915	$216,465

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

NOTE 13 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 2007, the Commission contracted with The Hartford Insurance Company and National Union Fire Insurance Company for the following insurance coverage:

Business personal property	$ 770,000
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.

Miami Valley Regional Planning Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual-General Fund
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Positve (Negative)
Revenues:				
Grantor Agency	$ -	$ 241,978	$ 98,381	$ (143,597)
Other	66,000	56,481	31,695	(24,786)
Membership Dues	489,460	478,204	477,588	(616)
Total Revenues	555,460	776,663	607,664	(168,999)
Expenditures:				
Personnel	1,298,563	1,465,050	1,500,776	(35,726)
Contractual	81,300	177,953	99,237	78,716
Other	549,873	507,306	285,621	221,685
Indirect Costs	-	81,317	70,560	10,757
Capital Outlays	50,000	50,000	12,374	37,626
Total Expenditures	1,979,736	2,281,626	1,968,568	313,058
Excess of Expenditures Over Revenues	(1,424,276)	(1,504,963)	(1,360,904)	144,059
Other Financing Sources (Uses):				
Transfers-Out	(493,406)	(168,546)	(160,952)	7,594
Cost Allocation Plan Recoveries	1,800,384	1,688,386	1,664,837	(23,549)
Total Other Financing Sources	1,306,978	1,519,840	1,503,885	(15,955)
Change in Fund Balances	(117,298)	14,877	142,981	128,104
Fund Balance, July 1	1,957,262	1,957,262	1,957,262	1,957,262
Fund Balance, June 30	$ 1,839,964	$ 1,972,139	$ 2,100,243	$ 128,104

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual-Grant Fund
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Grantor Agency	$ 3,743,103	$ 2,884,044	$ 2,670,053	$ (213,991)
Other	57,936	265,233	169,805	(95,428)
Total Revenues	3,801,039	3,149,277	2,839,858	(309,419)
Expenditures:				
Personnel	1,772,714	1,298,170	1,333,127	(34,957)
Contractual	1,270,788	837,219	615,474	221,745
Other	371,944	393,481	299,173	94,308
Indirect Costs	878,999	778,103	753,036	25,067
Capital Outlays	-	10,850	-	10,850
Total Expenditures	4,294,445	3,317,823	3,000,810	317,013
Excess of Expenditures Over Revenues	(493,406)	(168,546)	(160,952)	7,594
Other Financing Sources (Uses):				
Transfers-In	493,406	168,546	160,952	(7,594)
Total Other Financing Sources	493,406	168,546	160,952	(7,594)
Change in Fund Balances	-	-	-	-
Fund Balance, July 1	-	-	-	-
Fund Balance, June 30	$ -	$ -	$ -	$ -

See Accompanying Notes to the Basic Financial Statements

Miami Valley Regional Planning Commission

Schedule of General Capital Assets

June 30, 2007

Capital Assets	
Furniture and Fixtures	$ 69,153
Equipment	348,955
Leasehold Improvements	68,556
Total Capital Assets	486,664
Less: Accumulated Depreciation	(303,110)
Total Capital Assets, net	$ 183,554

Investment in Capital Assets	
General Fund	$ 422,175
Special Revenue Funds	64,489
Total Investment in Capital Assets	486,664
Less: Accumulated Depreciation	(303,110)
Total Investment in Capital Assets, net	$ 183,554

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, 2007

Fringe Benefit Cost Pool Charges:	
Public Employees Retirement System Contributions	$ 190,766
Health Insurance Premiums	179,848
Life Insurance Premiums	1,114
Workers' Compensation Premiums	11,588
Unemployment Insurance	3,006
F.I.C.A. (Medicare) Expenses	16,853
Sick Leave Pay	45,160
Holiday Pay	53,468
Vacation, Personal and Other Leave	99,850
PERS-ERIP	213,859
Retirement Pay	8,670
Employee parking	17,058
Total Fringe Benefit Cost Pool Charges	$ 841,240

Fringe Benefit Cost Rate Base:	
Salaries	$ 1,098,013

Final Fringe Benefit Cost Rate Computation:	
Total Fringe Benefit Cost Pool Charges	$ 841,240
Divided By: Total Fringe Benefit Cost Rate Base	1,098,013
Equals - Final Fringe Benefit Cost Rate	76.615%

Current Year's Cost Recovery Comparison:	
Fringe Benefit Costs Recovered @ provisional rate of 75%	$ 823,510
Fringe Benefits Over Recovered using Provisional Rate	(17,730)
Fringe Benefit Costs Recovered @ final rate of 76.615%	841,239
Total Fringe Benefit Cost Pool Charges	841,240
Final Over (Under) Recovered Costs	$ (1)

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, 2007

Indirect Cost Pool Charges:		
Salaries	$	272,461
Allocated Fringe Benefits (76.615%)		208,745
Contractual Services		41,234
Communication and Supplies		72,094
Rents and Rentals		139,362
Utilities		18,835
Travel		4,709
Maintenance and Repairs		7,003
Other Costs		2,420
Allowance for Depreciation		56,735
Total Indirect Costs	$	823,598
Indirect Cost Rate Base:		
Direct Salaries	$	825,552
Allocated Fringe Benefits 76.615%		632,494
Total Indirect Cost Rate Base	$	1,458,046
Final Indirect Cost Rate Computation:		
Total Indirect Cost Pool Charges	$	823,598
Divided By: Total Indirect Cost Rate Base	$	1,458,046
Equals - Final Indirect Cost Rate		56.486%
Current Year's Cost Recovery Comparison:		
Indirect Cost Recovered @ Provisional Rates 75% / 59%		
Direct Salaries	$	825,552
Direct FB @ provisional rate 75%		619,164
Provision rate base		1,444,716
Recovery using Provision rate base		852,382
Over (Under) recovered @ provisional basis	$	28,784
Indirect Cost Recovered @ Provisional Rates 54.606%/68.909%		
Direct Salaries	$	825,552
Direct FB @ actual rate 76.615%		632,494
Provision rate base		1,458,046
Recovery using actual rate base @ 56.486%		823,598
Over (Under) recovered @ actual basis	$	-

Miami Valley Regional Planning Commission
Schedule of Costs for Federal Highway Administration and Ohio Department of Transportation by Work Element
Year Ended June 30, 2007

Work Element	Project Description	Personnel	Fringe Benefits	Contractual	Other	Indirect costs	Total
601	Air Qlty/Access Control	$ 26,138	$ 20,025	$ -	$ 519	$ 26,076	$ 72,758
	Fed. & St. Legislation & Regs.	3,985	3,053	-	151	3,975	11,164
	Safety Study FY 2007	13,913	10,660	-	613	13,880	39,066
	Transit & Human Services Transp.	21,203	16,245	-	1,442	21,153	60,043
	601 Total	65,239	49,983	-	2,725	65,084	183,031
602	Assist. In MIS, EIS, IJS-IMS Studies	3,914	2,998	-	91	3,904	10,907
	TIP Project Management	24,159	18,509	-	359	24,102	67,129
	TIP SFY08-11 & Amendments	19,786	15,159	-	407	19,739	55,091
	602 Total	47,859	36,666	-	857	47,745	133,127
605	GIS Support	72,148	55,276	-	37	71,977	199,438
	Transportation Databases	49,635	38,028	-	6,652	49,518	143,833
	605 Total	121,783	93,304	-	6,689	121,495	343,271
610	LRP Supplemental Research	54,054	41,414	-	966	53,926	150,360
	LRP Update	82,397	63,128	-	3,644	82,202	231,371
	610 Total	136,451	104,542	-	4,610	136,128	381,731
							-
625	Public Involvement & Media Relations	21,818	16,716	244	7,728	21,766	68,272
	Public Service	9,779	7,492	-	374	9,755	27,400
	625 Total	31,597	24,208	244	8,102	31,521	95,672
665.1	Senior Trans Serv GDRTA	-	-	8,108	2,752	21,501	32,361
	Senior Trans Serv Mo Co	9,277	7,108	4,131	99	-	20,615
	Senior Trans Serv Mot Co 07	12,275	9,404	4,282	284	-	26,245
	665.1 Total	21,552	16,512	16,521	3,135	21,501	79,221
665.13	Hoke Road Safety (GHSO)	-	-	4,350	-	-	4,350
667.1	Rideshare	23,311	17,860	17,750	135,692	23,256	217,869
	Vanpool Admin.	2,118	1,623	13,007	10	2,113	18,871
	WPAFB Project Support	-	-	-	5,998	-	5,998
	667.1 Total	25,429	19,483	30,757	141,700	25,369	242,738
695	Transportation Program Admin.	40,602	31,107	-	940	40,506	113,155
697	Trans Annual Report	1,394	1,068	13,500	2	1,391	17,355
674.1	Public Transit HSTP	9,128	6,994	46,419	370	9,107	72,018
667.35	Regional Cooperative Effort	38,126	29,210	-	270	38,036	105,642
667.34	Walkable Comm. Handbook/web	851	652	14,993	-	849	17,345
667.33	Driveless Greater Dayton	1,882	1,442	-	4,950	1,878	10,152
667.32	Comp Regional Bikeway Plan	16,186	12,401	59,479	3,328	16,148	107,542
667.31	Alternative Transportation	12,603	9,656	600	2,164	12,574	37,597
667.22	Enhanced AQ Forecasting	-	-	2,127	-	-	2,127
667.21	Air Quality Awareness Program	33,529	25,688	45	63,139	33,450	155,851
695 FY06	Trans Program Admin	12,495	9,573	-	242	12,465	34,775
667.22 FY06	Air Quality Awareness	-	-	12,500	40,250	-	52,750
667.1 FY06	Rideshare	-	-	-	17,945	-	17,945

(continued)

Miami Valley Regional Planning Commission
Schedule of Costs for Federal Highway Administration and Ohio Department of Transportation by Work Element
Year Ended June 30, 2007

Work Element	Project Description	Personnel	Fringe Benefits	Contractual	Other	Indirect costs	Total
665.08 FY06	Dayton CBD St. - Consultants	-	-	176,472	-	-	176,472
625 FY06	Public Involvement	7,050	5,401	-	-	7,033	19,484
610 FY06	LRP Update	18,962	14,528	-	546	18,917	52,953
605 FY06	GIS Support	18,995	14,553	-	-	18,950	52,498
	Regional GIS	36,003	27,584	20,039	5,365	35,918	124,909
	Transportation Databases	8,724	6,684	-	144	8,703	24,255
	605 FY06 Total	63,722	48,821	20,039	5,509	63,571	201,662
602 FY06	TIP - Amendments	5,033	3,856	-	4	5,021	13,914
601 FY06	Air Qlty/Access Control	8,012	6,139	-	-	7,993	22,144
665.08 FY05	Dayton CBD St. - Admin	4,980	3,816	-	1	4,968	13,765
665.09 FY04	US42 & US35 Upgrade Study	2,335	1,789	3,480	109	2,330	10,043
665.07 FY04	Austin Rd - Admin	6,766	5,184	-	28	6,750	18,728
665.06 FY04	Western Montg Co Trans Plan	14,041	10,758	186,565	275	14,008	225,647
665.03 FY04	I-75 S. Dixie Interchange	4,326	3,315	-	-	4,316	11,957
665.01 FY04	Renaissance Project	12,278	9,406	43,905	34	12,248	77,871
	Totals	$ 764,211	$ 585,502	$ 631,996	$ 307,924	$ 762,402	$ 3,052,035

MVRPC Membership Roster
2006/2007 Governmental Members

Cities

Beavercreek
Phyllis Howard

Bellbrook
Pat Campbell

Brookville
David Seagraves

Carlisle
Gerald Ellender

Centerville
James Singer

Clayton
James Gorman

Dayton
Matthew Joseph

Englewood
Thomas Franz

Fairborn
Thomas Nagel

Franklin
Scott Lipps

Greenville
John Baumgardner

Huber Heights
Janis Vargo

Kettering
Donald Patterson Jr.

Miamisburg
Richard Church

Moraine
John Shady

New Carlisle
Raymond Lowrey

Oakwood
Carlo McGinnis

Piqua
Frank Barhorst

Riverside
Johnie Doan

Springboro
John Agenbroad

Tipp City
Donald Ochs

Trotwood
Rap Hankins

Troy
Michael Beamish

Union
Lawrence Beyer

Vandalia
William Loy

West Carrollton
Harold Robinson

Xenia
Phyllis Pennewitt

Townships

Beavercreek Township
Carol Graff

Bethel Township
Jerome Hirt Sr.

Butler Township
Joseph Ellis

Clay Township
Donald Aukerman

Concord Township
Robert Shook

Franklin Township
Elmo Rose

German Township
Gregory Hanahan

Harrison Township
Roland Winburn

Miami Township
Deborah Preston

Monroe Township
James Flesher

Perry Township
Gerald Peters

Sugarcreek Township
Nadine Daugherty

Washington Township
Terrence Blair

Xenia Township
Richard Montgomery

Counties

Darke County
Terry Haworth

Greene County
Ralph Harper

Miami County
Ronald Widener

Montgomery County
Dan Foley

Preble County
David Wesler

Villages

Farmersville
Nathan Roach

Germantown
Jeanne Gentry

New Lebanon
Larry Shock

New Madison
Steve Eadler

Phillipsburg
Charles Marquis

Waynesville
Ernie Lawson

West Milton
Raymond Moore

Yellow Springs
Karen Wintrow

GIVING THE GREEN LIGHT

MVRPC Regional Partners

2006/2007 Non-Governmental Members

AT&T Ohio
Toni Perry-Gillispie

Dayton Area Board of Realtors
Jesse Livesay

Dayton Area Chamber of Commerce
Phillip Parker

Dayton Metro Library
Timothy Kambitsch

Dayton Power & Light Company
Art Meyer

Delphi Corporation
Robert Jordan

General Motors Corporation
Paula Shaheen

Greater Dayton Area Hospital Association
Bryan Bucklew

Miller Valentine Group
Jason Woodard

Montgomery Co. Farm Bureau
Tom Hartlein

National City Bank
Wanda Willis

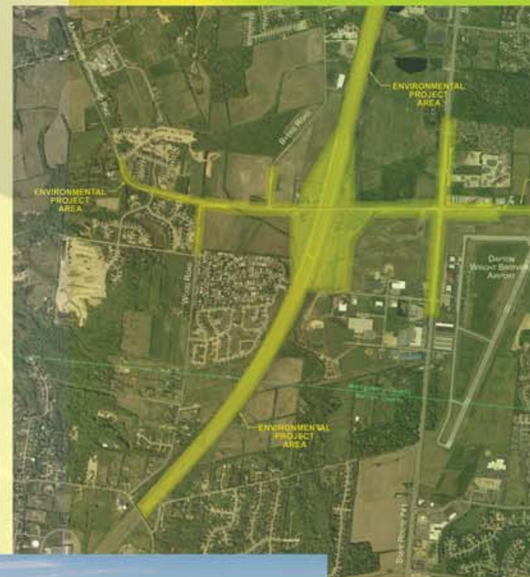
South Metro Regional Chamber Of Commerce
Julia Maxton

Time Warner Cable
Michael Gray

Troy Area Chamber of Commerce
Arthur Haddad

University of Dayton
Ted Bucaro

Vectren
Vacant



2006/2007 Other Governmental Members

Five Rivers Metro Parks
Charles Shoemaker

Greater Dayton RTA
Mark Donaghy

Greene County Engineer
Robert Geyer

Greene County Transit Board
Kenneth Collier

Miami Conservancy District
Janet Bly

Miami County Engineer
Douglas Christian

Miami County Park District
Jerry Eldred

Miami County Transit
Josh Gearhardt

Montgomery County Engineer
Joseph Litvin

Montgomery County TID
Steve Stanley

ODOT District 7
Rex Dickey

ODOT District 8
Hans Jindal

Sinclair Community College
Kenneth Moore

Wright State University
Robert Hickey

Wright-Patterson Air Force Base
Randy Parker

GIVING THE GREEN LIGHT

Miami Valley Regional Planning Commission

Officers and Executive Committee
as of June 30, 2007

MVRPC Officers:

Name	Organization	Title
Robert Shook, Chair	Concord Twp.	Trustee
Donald Patterson, Jr., First Vice-Chair	Kettering	Mayor
Ralph Harper, Second Vice-Chair	Greene County	Commissioner

Executive Committee Members:

Name	Organization	Title
Pat Campbell	Bellbrook	Council Member
Richard Church	Miamisburg	Mayor
Dan Foley	Montgomery County	Commissioner
Arthur Haddad	Troy Chamber of Commerce	Chairman
Gregory Hanahan	German Twp.	Trustee
Rap Hankins	Trotwood	Council Member
Terry Haworth	Darke County	Commissioner
Jerome Hirt, Sr.	Bethel Twp.	Trustee
Matt Joseph	Dayton	Council Member
Richard Montgomery	Xenia Twp.	Trustee
Thomas Nagel	Fairborn	Mayor
Donald Ochs	Tipp City	Council Member
Phil Parker	Dayton Area Chamber of Commerce	President and CEO
Charlie Shoemaker	Five Rivers MetroParks	Executive Director
Jan Vargo	Huber Heights	Council Member
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, 2007

Pass-Through Grantor/ Program Title	Grant Number or Description	Federal CFDA Number		Expenditures
U. S. Environmental Protection Agency				
Pass-Through, Ohio Environmental Protection Agency				
Water Quality Management Planning	604(b)	66.454	$	33,993
Total Environmental Protection Agency			$	33,993
U. S. Department of Transportation				
Pass-Through, Ohio Department of Transportation				
Highway Planning and Construction	Consolidated Planning FY 2006	20.205	$	175,973
	Consolidated Planning FY 2007	20.205	$	920,192
	Rideshare FY 2006	20.205		17,945
	Rideshare FY 2007	20.205		236,742
	Atlernative Trans & Air Qlt Aware FY 2006	20.205		52,750
	Atlernative Trans & Air Qlt Aware FY 2007	20.205		193,447
	Additional Air Qlt Enhancement	20.205		23,698
	Supplemental Planning	20.205		423,692
	I75 @ S. Dixie/Central Ave	20.205		11,957
	Hoke Road Safety Study	20.205		4,350
	Dayton Renaissance Plan	20.205		77,871
	Western Montg Co Transp. Plan	20.205		225,647
	Austin Road	20.205		18,727
	US42/35 Upgrade Study	20.205		10,043
	Dayton CBD Study - Consultants	20.205		173,392
	Dayton CBD Study - Administration	20.205		13,766
Total Highway Planning and Construction			$	2,580,192
Public Transit Human Services Trans. Plan	Job Access and Reverse Commute	20.516		35,510
	New Freedom	20.521		20,359
Total Public Transit Human Services Trans. Plan			$	55,869
Total Department of Transportation			$	2,636,061
Total Expenditures of Federal Awards			$	2,670,054

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

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614 W Superior Ave Ste 1242
Cleveland, OH 44113-1306

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

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

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, 2007, which collectively comprise the MVRPC's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 12, 2007, wherein we noted the MVRPC changed its method of accounting for compensated absences. 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MVRPC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the MVRPC's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the MVRPC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the MVRPC's financial statements that is more than inconsequential will not be prevented or detected by the MVRPC's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 12, 2007

Rockefeller Building
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Cleveland, OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. The MVRPC's major federal program is 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 its major federal program is the responsibility of the MVRPC's management. 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 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 the MVRPC'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 the MVRPC's compliance with those requirements.

In our opinion, the MVRPC complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the MVRPC 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 the MVRPC'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, but not for the purpose of expressing an opinion on the effectiveness of the MVRPC's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the MVRPC's ability to administer a federal program such that there is more than a likelihood that the MVRPC's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the MVRPC's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of the internal control over compliance was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report is intended 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 & Associates, Inc.
December 12, 2007

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

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
June 30, 2007

1. SUMMARY OF AUDITOR'S 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 significant control deficiencies reported 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 internal control weakness conditions reported for major federal programs?*	No
(d)(1)(iv)	*Were there any other significant control 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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
June 30, 2007

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, for the year ending June 30, 2006, reported no material citations or recommendations.

Mary Taylor, CPA
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 27, 2008