

Mid-Ohio Regional Planning Commission

2008



Comprehensive Annual Financial Report

Columbus, Ohio

Fiscal Year Ended December 31, 2008



Mid-Ohio Regional Planning Commission



Mary Taylor, CPA
Auditor of State

Members of the Governing Board
Mid-Ohio Regional Planning Commission
111 Liberty Street, Suite 100
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Mid-Ohio Regional Planning Commission, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period January 1, 2008 through December 31, 2008. 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 Mid-Ohio Regional Planning Commission is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 22, 2009

This Page is Intentionally Left Blank.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR
FISCAL YEAR ENDED DECEMBER 31, 2008**

Prepared by

Chester R. Jourdan Jr.
Executive Director

Carl R. Styers
Finance Director

Tacy Courtright
Senior Budget Analyst/Accountant

MORPC

Mid-Ohio Regional Planning Commission
111 Liberty Street
Suite 100
Columbus, OH 43215

MID-OHIO REGIONAL PLANNING COMMISSION

Table of Contents

	Page
I. Introductory Section:	
Letter of Transmittal	1
GFOA Certificate of Achievement	11
Mid-Ohio Regional Planning Commission Organizational Chart	12
Mid-Ohio Regional Planning Commission as of 12/31/08	13
II. Financial Section:	
Independent Auditors' Report	15
Management Discussion and Analysis	17
Basic Financial Statements:	
Statements of Net Assets	22
Statements of Revenue, Expenses and Changes in Net Assets	23
Statements of Cash Flows	24
Notes to the Financial Statements	25
Supplementary Information:	
Schedule of Revenues and Expenses – Budget and Actual	37
Details of Indirect Cost Allocation and Fringe Benefits Allocation	40
Details of Cumulative Revenue and Expenses and Computation of Project Grants on Federal Transportation Projects Completed in 2008	42
Schedule of Costs by Subcategory for Federal Transportation Grants Completed in 2008	44
III. Statistical Section:	
Statistical Section Description	45
<i>Financial Trends</i>	
Net Assets by Component	47
Changes in Net Assets – Revenue and Expense by Program	48
Changes in Net Assets – Revenue by Source, Expense by Program	49
<i>Revenue Capacity</i>	
Revenue Base and Revenue Rates	50
Source of Estimated Population by Member Jurisdiction Used for Per Capita Membership Fees	51
Benefits of Membership – Flow of Funds	52
<i>Demographic and Economic Information</i>	
Principal Revenue Payers	53
Columbus Metropolitan Statistical Area Employment	54
MORPC Membership Population	
Annual Average Unemployment Rates	
Per Capital Income and Total Personal Income	55
Principal Employers in the Greater Columbus Area	56
Area in Square Miles by Member Jurisdiction	57

Operating Information

Number of MORPC Employees by Function/Activity	58
Operating Indicators	59
Capital Assets	60
Schedule of Insurance Coverage	61

IV. Single Audit Section:

Independent Auditors' Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	63
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Award Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	65
Schedule of Expenditures of Federal Awards	67
Notes to Schedule of Federal Awards	70
Schedule of Findings	71

I. INTRODUCTORY SECTION



May 21, 2009

To the Citizens of Central and South-Central Ohio and
The Honorable Members of the Mid-Ohio Regional Planning Commission

111 Liberty Street
Suite 100
Columbus, Ohio 43215
T 614.228.2663
F 614.228.1904
TDD 1.800.886.2663
www.morpc.org

We are pleased to present the Comprehensive Annual Financial Report of the Mid-Ohio Regional Planning Commission (MORPC) for the year ended December 31, 2008. This report has been prepared by the MORPC finance staff according to generally accepted accounting principles applicable to governmental entities. The management of MORPC is responsible for and affirms the adequacy of the agency’s internal accounting control and the completeness of the material presented in this report.

The report will be available on MORPC’s website at www.morpc.org.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

MORPC was created in 1969 as the successor to the Franklin County Regional Planning Commission under authority granted by Ohio Revised Code Section 713.21. MORPC is a voluntary association of local governments in central and south central Ohio and a regional planning agency. In 2008, membership included 45 political subdivisions in and around Franklin, Ross, Fayette, Delaware, Pickaway, Madison, Licking, and Fairfield counties, Ohio. MORPC is the federally designated Metropolitan Planning Organization (MPO) for the Columbus urbanized area.

The member governments appoint representatives (currently 84) who make up the Commission, the policy-making body of the organization, and the oversight board. MORPC is a political subdivision of Ohio and a non-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. MORPC employees are members of the Ohio Public Employee Retirement System.

In accordance with Statement of Governmental Accounting Standards 14, *The Financial Reporting Entity* and GASB 39, *Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement 14*. MORPC is not considered a component unit of the Franklin County financial reporting entity because:

- MORPC is a separate legal entity, established under Section 713.21 of the Ohio Revised Code (“ORC”);
- Franklin County holds only 13 of 84 seats on MORPC’s governing board;
- MORPC is not fiscally dependent on Franklin County; and
- MORPC provides services to members outside of Franklin County;

There are no agencies or organizations, which could be considered a component unit of MORPC.

MISSION, ASPIRATIONS AND PRIORITIES

At the Mid-Ohio Regional Planning Commission (MORPC), our board members and staff work collectively to advance the organization's mission and achieve our aspirations.

MISSION

MORPC is a regional voice and a catalyst to drive sustainability and economic prosperity in order to secure a competitive advantage for the central Ohio region.

ASPIRATIONS:

For our community we aspire to...

- Be the respected regional voice, serving as the expert.
- Be the regional convener, serving as the honest broker.
- Be bold and entrepreneurial, addressing needs creatively.
- Affect regional, state and national policies, changing the ground rules for our work.
- Provide inspiration for building a better region, opening minds to possibilities.

For our members we aspire to...

- Provide value to our membership, demonstrating relevance and responsiveness to them.
- Increase membership, elevating our regional capacity.
- Foster a diverse participation, reflecting the interests and complexity of the region.

For our staff we aspire to...

- Facilitate engaging meetings at all levels, gaining active participation.
- Maintain a facility that reflects the values of the organization, meaning what we say.
- Build and maintain staff that reflects the mission, aligning the resources.
- Provide meaningful programs and services, serving the regional needs.

Regional Leadership

MORPC is a dynamic organization that must continually adapt to changing regional, state, national and global conditions. Given current national and local economic issues, development trends and changing demographics, the need for our regional leadership has never been more important.

PRIORITIES:

Improve sustainability

It is critical for the region to embrace sustainability, which is meeting the needs of the present without compromising the ability of future generations to meet their own needs. MORPC will promote sustainable policies and patterns of development in the region.

Increase mobility

MORPC will advance a sustainable multimodal transportation system that recognizes our energy and environmental needs and will safely, cost effectively, and efficiently move people and goods.

Improve communication

MORPC should strive to improve communication between diverse interests in our community and act as a regional convener and resource. MORPC must communicate its mission and relevance to strengthen participation. Additionally, MORPC's goals, mission, and priorities should be communicated to staff to affirm and reinforce their roles in the organization.

Grow membership

As a membership-based organization MORPC will be most effective with a high degree of participation. Effort should be made to expand membership diversity in regards to both public jurisdictions and businesses or other organizations, while continuing to improve engagement of current members.

Be a leader in regional, state and national policies

Solutions to regional problems are often rooted in established public policy. MORPC should be an advocate and catalyst for change at the regional, state and national levels. The organization should be bold, proactive and a leader in implementing policy changes that will have positive benefits for the region.

2008 ACCOMPLISHMENTS

In 2008, the MORPC board approved seven key strategies for the organization to support its mission, aspirations and priorities:

1. To improve sustainability in our region, MORPC will facilitate implementation of the principles embodied in the Central Ohio Green Pact. *Outcome: Central Ohio will be recognized nationally as a leader in regional sustainability.*
2. Increase affordable transportation options throughout the region by seeking and funding infrastructure projects for driving, walking and bicycling, increasing ridesharing services, and supporting transit service. *Outcome: Be top of mind for affordable travel choices by regional residents, workers, and employers. An additional outcome is alternative travel options are often energy efficient and environmentally friendly.*
3. Clarify and expand membership structure (types) and benefits (return on investment). *Outcome: More members and more active members with a greater regional vision bringing more resources to MORPC.*
4. Refine and implement the Public Policy Agenda. *Outcome: Affect regional, state and national policies that will have positive benefits for the region.*
5. MORPC will expand and sustain the availability of affordable housing through programs and services which incorporate sustainability, collaboration, and mobility. *Outcome: MORPC will serve as a leader in providing comprehensive programs and quality housing services to the region.*
6. Prepare a comprehensive communication plan (for both internal and external needs). *Outcome: Be known as a regional leader, relevant and best in class.*
7. Integrate departmental activities so as to improve and promote collaboration among staff. *Outcome: Breakdown the "silo mentality" of staff and improve the understanding among all staff about our shared mission, aspirations and priorities.*

Strategy – To improve sustainability in our region, MORPC will facilitate implementation of the principles embodied in the Central Ohio Green Pact.

- Held bi-monthly education forums for MORPC member governments and the community at-large with topics focused on the 10 goals of the Central Ohio Green Pact.
- Created additional working groups to help facilitate implementation of the Central Ohio Green Pact, such as the Local Foods Working Group and the Sustainable Land-use Working Group.
- Developed sustainability indicators for the region to be shared in the 2009 State of the Region Report in April 2009.

- Hosted the second annual Summit on Sustainability and the Environment.
- Developed a carbon footprint analysis for each of MORPC's members.

Strategy - Increase affordable transportation options throughout the region by seeking and funding infrastructure projects for driving, walking and bicycling, increasing ridesharing services, and supporting transit service.

- In May 2008, the MORPC board adopted a new regional transportation plan - the CapitalWays Transportation Plan, a forward-looking plan that anticipates the transportation needs of Central Ohio through the year 2030. Predicting how busy roads will likely be, how much people will travel, and where people will be going, a Regional Transportation Plan pinpoints where we will need new roads, repairs to old roads, expanded transit service, and more bikeways.
- In the summer of 2008 when high gas prices reached over \$4 per gallon, worked extensively with community leaders and public officials to develop an updated light rail system concept for the region.
- MORPC's RideSolutions program continued to promote alternatives to driving alone to work through vanpools, carpools, transit, walking and cycling. The RideSolutions program participated in outreach events in MORPC member communities, job fairs and at employer worksites. New branding and marketing materials were developed for the program.

Strategy - Clarify and expand membership structure (types) and benefits (return on investment).

- Continued to organize and hold meetings of the Articles of Agreement/By-laws Committee to discuss membership options and associate member status.
- Planned 40th anniversary activities for 2009 as a means to recruit and enhance membership.
- Recruited two new MORPC government members – Plain City and the Village of Shawnee Hills.
- Provide additional benefits of membership including more funding and grant information and resources; free and reduced-fees for special events and seminars; and offer members-only benefits such as a free carbon footprint analysis for each MORPC member community.

Strategy - Refine and implement the Public Policy Agenda.

- Updated and adopted a new Public Policy Agenda for MORPC.
- Provided regular legislative updated and critical policy information to MORPC Board members, Regional Policy Roundtable members and others through email, conference calls, meetings, events and Legislative Update memo.
- Organized and hosted a Candidates Education Event in July to give candidates running for local office and state legislature a chance to learn MORPC's issues and that our organization is a valuable resource for elected officials.
- Served on a number of local, regional, statewide and national groups and commissions working on public policy and legislation.

Strategy - MORPC will expand and sustain the availability of affordable housing through programs and services which incorporate sustainability, collaboration, and mobility.

- Partnered with agencies and local governments in the region to expand housing counseling services to help people buy and maintain their homes.
- Developed new counseling programs designed to meet the needs of central Ohio residents dealing with foreclosure.
- Worked on expanding the use of green tools in construction management.
- Tracked legislation regarding foreclosure at the state and federal level; served as a resource for board members; advocated for affordable housing programs.
- Increased efforts to expand program and involvement of new demographic groups from the community.

Strategy – Prepare a comprehensive communication plan (for both internal and external needs).

- As part of our communication plans, created a Diversity Committee of MORPC board members and staff to expand MORPC’s outreach and engagement with different and new demographics in the region.
- Continued working on synchronizing MORPC’s brand across programs, services and departments in the agency. Developed a number of new outreach materials including brochure and display to achieve this goal. Also created the Communications Team, a group of MORPC employees representing each department to share information and strategize about communication, marketing and outreach for the organization and programs.
- Through the 2008 State of the Region luncheon and State of the Region report, help our community (government officials, citizens, businesses and other decision makers) better understand what our region is, our connections and develop a more regional perspective.

Strategy – Integrate departmental activities so as to improve and promote collaboration among staff.

- Developed cross-department teams to work on a new Regional Plan that will address land use, transportation, environment, energy, housing and more.
- Created a staff leadership development program. All staff took a leadership indicator assessment to measure their approach to leadership. The goal is to increase all staff’s scores by having all staff participate in the leadership development program. The first group (a mix of staff from all MORPC departments) began its courses in the fall and will complete the program in one year.
- Held training and offered seminars to staff on team building and how to deal with change.

ECONOMIC CONDITION AND OUTLOOK

The strong economy in central Ohio is anchored by the City of Columbus, which is the only major city in the northeast quadrant of the country to have grown continuously since 1970 and is the 15th largest city in the United States, per the 2000 census. The City of Columbus is one of the largest cities in the United States with an AAA bond rating from Standard & Poor’s Corporation and an Aaa rating from Moody’s Investors Services, Inc. Franklin County also enjoys these high bond ratings.

Unemployment rates for 2005, 2006, 2007 and 2008 were as follows:

	2005	2006	2007	2008
United States	5.1%	4.6%	4.6%	5.8%
Ohio	6.9%	5.5%	5.6%	6.5%
Central and south-central Ohio	5.3%	4.7%	4.8%	5.6%

The Columbus Chamber Blue Chip 2009 Economic Forecast predicts that employment in the Columbus Metropolitan Statistical Area (MSA) will decline in 2009, but proportionately less than the projected national decline. The Chamber's Blue Chip panel projects a loss of 3,500 jobs in the Columbus MSA in 2009, a net decline of .4% from to 2008 employment levels. As of the end of the first quarter of 2009, the Columbus MSA had lost 18,200 jobs or 1.9% since the beginning of the recession in December, 2007. During that period, Ohio lost 3.7% and the U.S. 4.8%.

Total membership in 2008 stood at 45 local governments and interest in membership is continuing to be expressed by other governments, indicating prospects for further geographical growth.

MORPC's total 2008 revenue increased by 15.5% to \$8,846,587, highest in the history of the agency. The 2009 operating revenue budget is \$10,050,000, which is 13.6% higher than 2008 actual revenue. Revenue from federal contracts accounted for 56.1% of MORPC's 2008 total revenue. Federal revenues are expected to increase by \$1-\$2 million each of the next 2-3 years due to the receipt of American Recovery and Reinvestment Act funds for the Home Weatherization Assistance Program. Revenues from contracts with utility companies are expected to increase by approximately 40% in 2009.

FINANCIAL INFORMATION

DISCUSSION OF CONTROLS: MORPC adopts its annual appropriated budget in December for the following year and makes a mid-year revision each July. Budgetary control is maintained using the following appropriation accounts:

- Salaries and benefits
- Materials and supplies
- Services and charges
- Capital expenditures

A more detailed level within each appropriation is accounted for and reported internally and at the Administrative Committee level. The budget and appropriations are adopted by resolution of the MORPC Commission. The Commission has delegated to its Administrative Committee the authority to transfer amounts among the appropriation accounts within the total appropriated. The Administrative Committee must report any such actions at the next Commission meeting. MORPC operates like a consulting business, with approximately 90% of its revenue received under actual cost reimbursement contracts or the fixed price, non-profit home weatherization contracts. As a result of this funding structure, MORPC accounts for its operations as a single enterprise fund, following generally accepted accounting principles (GAAP) on the accrual basis. The budget is also developed on the GAAP basis and is detailed in six-month periods by each contract or other source of funds, and includes only those amounts estimated to be earned during

the budget period. MORPC's computerized financial information system performs budgetary control and activity-based cost accounting in order to manage the financially critical task of staying within budget for each contracted activity. GAAP financial statements and comprehensive budget-to-actual performance reports, with explanations of major variances, are presented to management monthly.

The Administrative Committee authorizes each individual contract and expenditure in excess of \$50,000 if the expense is included in the current budget. For contracts or expenditures not included in the current budget, the Administrative Committee must authorize the item if the expense is in excess of \$20,000 and the full Commission if it is in excess of \$50,000. A myriad of financial status reports are periodically submitted to grantors according to their requirements. The county auditor also insures that all expenditures are within amounts appropriated by MORPC.

Numerous accounting and administrative controls exist to assure compliance with federal and state laws, applicable regulations such as OMB Circulars A-102 and A-87, the terms and conditions of the many contracts, as well as the Commission's own adopted policies and procedures, which are periodically reviewed and updated. The auditors' report on internal controls begins on page 65 of this report and discloses no condition considered to be a material weakness.

PROPRIETARY OPERATIONS: As discussed above, MORPC is a voluntary association of local governments with governmental and non-profit status. It operates like a consulting business and is treated as a single enterprise for accounting, budgetary and financial presentation purposes.

It is MORPC's policy to charge user fees to organizations and individuals who contract for or request the services and products of MORPC staff. The user fees are established and calculated on a 100 percent actual cost recovery basis, including capital costs, in conformance with MORPC's activity-based, federally-negotiated, organization-wide cost allocation plan.

The financial statements have been prepared following Governmental Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" As part of the new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the Commission. This discussion follows the Independent Auditor's Report, providing an assessment of the Commission finances for 2008.

Members participate in the funding of MORPC on a per-capita basis at rates determined by the MORPC board each year. Members' per-capita fees totaled \$668,428 in 2008 with \$614,511 used in the operating budget and \$53,917 restricted for building related expenditures. Other revenues flow from contracts for specific services to be rendered on an actual cost basis with no provision for profit. Costs are allocated in accordance with policies and procedures specified by OMB Circular A-87 using a single organization-wide cost allocation plan for which U.S. Department of Transportation is the oversight agency. MORPC received \$4,966,886 or 56.1% of its 2008 revenue, from federal sources under contracts directly with the federal government or indirectly under contracts with third parties, principally Franklin County and the State of Ohio.

The following is a summary of comparative results of operations and the 2008 budget:

	2007 Actual	2008 Actual	2009 Budget
Revenues:			
Federal grants and contracts	\$4,484,674	\$4,966,886	\$5,777,000
State grants and contracts	288,227	515,101	339,300
Member's per-capita fees	630,942	668,428	701,600
Utility contracts	1,189,635	1,417,633	1,954,000
Other local contracts	937,050	1,073,810	906,075
Foundation/Corporate Contributions	128,698	204,729	372,025
Total Revenues	7,659,226	8,846,587	10,050,000
Expenses:			
Salaries and benefits	4,406,035	4,501,545	4,972,675
Consultants and subcontracts	1,864,488	2,259,514	2,551,100
Depreciation	140,710	99,301	105,450
Other expenses	1,433,654	2,124,669	2,502,325
Total Expenses	7,844,887	8,985,029	10,131,550
Operating income (Loss)	(185,661)	(138,442)	(81,550)
Interest income	64,095	119,652	99,000
Capital contributions	64,497	16,384	40,000
Gain on sale of building	2,115,742	0	0
Net change in net assets	\$2,058,673	\$(2,406)	\$57,450
Capital expenditures	\$114,179	\$135,853	\$605,000

There was an operating loss in 2008 of \$138,442 which includes depreciation expense of \$99,301, of which \$20,277 was related to contributed assets. The loss also includes \$50,000 in expense for a building feasibility study funded from member dues collected in prior years. Interest income of \$87,485 was used to defray costs of the office building operating lease.

MORPC completed 2008 with a small decrease in net assets of \$2,406. Capital contributions of \$16,384 were received along with \$119,652 in interest income. Members' per-capita fees of \$668,428, were leveraged by a factor of 13.2 to 1 to bring in total operating revenues of \$8,846,587. Total federal revenue increased \$482,212 or 10.8% primarily due to the Central Ohio Transit Authority On-Board Transit Rider Survey. Total state revenue increased by \$226,874, or 78.7%, due to increased funding for housing counseling services and foreclosure assistance to deal with the regional impacts of the national housing crises. Utility company revenue increased by \$227,998 or 19.2% due to increased funding and addition of the Electric Partnership Program. Total staff salaries and benefits increased by \$95,510 or 2.2% from the prior year. The increase is due to staff wage increases of approximately 3.0%, partially offset by a reduction in overhead staff positions. Consultants and subcontractors expense increased by \$395,026 or 21.2%, primarily due to the On-Board Transit Ridership Survey.

Overall, 2008 operating revenue increased \$1,187,361 or 15.5% from the prior year. Total operating revenue was under budget by \$432,413 or 4.7% of the budget of \$9,279,000. Operating revenue is budgeted to increase by \$1,203,413 or 13.6% in 2009. The following programs and activities were under budget by \$100,000 or more:

	Amount Under
Center for Energy and Environment	\$120,119
Other	\$115,105

Funding for the above programs and activities were under contract and available to be earned. Expenditures, however, were lower than available budgets.

Capital expenditures for equipment and leasehold improvements in 2008 totaled \$135,853. Total depreciation expense was \$99,301. Net capital assets at year-end were \$305,816.

MORPC's cash balance at year end decreased from \$4,218,490 to \$1,050,079 primarily due to investment of the \$2.5 million of building sale proceeds cash and due to cash expenditures for increased agency activities for which reimbursement had not been received.

BUILDING LEASE: MORPC leases 21,449 of office space under a 10 year operating lease, which can be canceled by MORPC anytime after three years. Other information regarding this lease can be found in footnote 5 of the financial statements.

TRUST for benefit of MORPC - HOPE 3: A trust for the benefit of MORPC was created in 1995 to hold title to houses and otherwise facilitate the implementation of the federal Home Ownership for People Everywhere ("HOPE3") program. Assets totaling \$270,886, at December 31, 2008 were held by the trustee, are controlled by MORPC and have been included on MORPC's balance sheet. HOPE 3 mortgage notes receivables of \$136,822 are however, expected to be forgiven over time. No properties were held at December 31, 2007 or December 31, 2008.

CASH MANAGEMENT: As required by Ohio Revised Code Section 713.21, MORPC deposits all receipts with the Franklin County treasurer. Disbursements are made by the Franklin County auditor, based upon vouchers presented by MORPC. As part of the federal HOPE 3 program, US Bank held \$134,065 in trust for the benefit of MORPC. MORPC has no other cash accounts and does not receive interest income on its cash balances.

RISK MANAGEMENT: A schedule of insurance policies covering identifiable risks is provided on page 61 through 62. Claims and losses have been relatively insignificant. MORPC does not engage in risk financing activities where it retains the risk, i.e., self-insurance.

INDEPENDENT AUDIT: The financial statements are presented annually for independent audit in accord with Ohio Revised Code Section 115.56 and OMB Circular A-133. The report of the independent auditors, Kennedy Cottrell Richards, is included in the financial section of this report and is unqualified.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING: The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mid-Ohio Regional Planning Commission for its comprehensive annual financial report for the fiscal year ended December 31, 2007. The Certificate of Achievement is a prestigious national

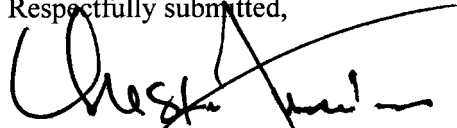
award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

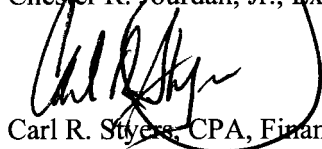
A Certificate of Achievement is valid for a period of one year only. MORPC has received a Certificate of Achievement for the last 20 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS: The timely preparation of this report could not have been accomplished without the cooperation and dedicated services of Tacy Courtright, MORPC Senior Budget Analyst/Accountant and Kennedy Cottrell Richards, the independent auditors. We would like to express sincere appreciation to all those who assisted and contributed to its preparation. Appreciation is also extended to the MORPC Administrative Committee and officers for their interest and support in planning and conducting the financial operations of MORPC in a responsible and professional manner.

Respectfully submitted,



Chester R. Jourdan, Jr., Executive Director



Carl R. Stivers, CPA, Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Mid-Ohio Regional Planning Commission

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



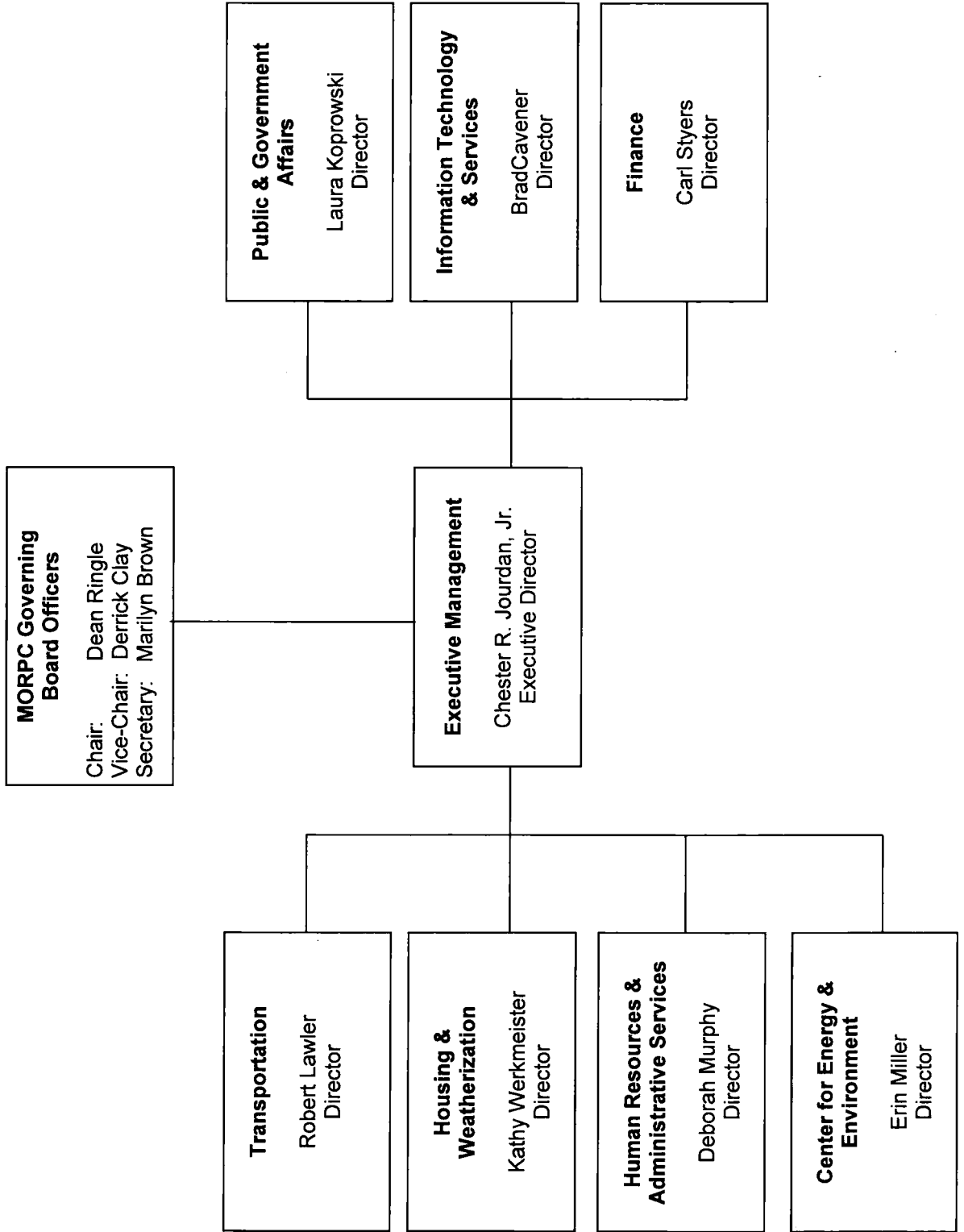
President

Executive Director

MID-OHIO REGIONAL PLANNING COMMISSION

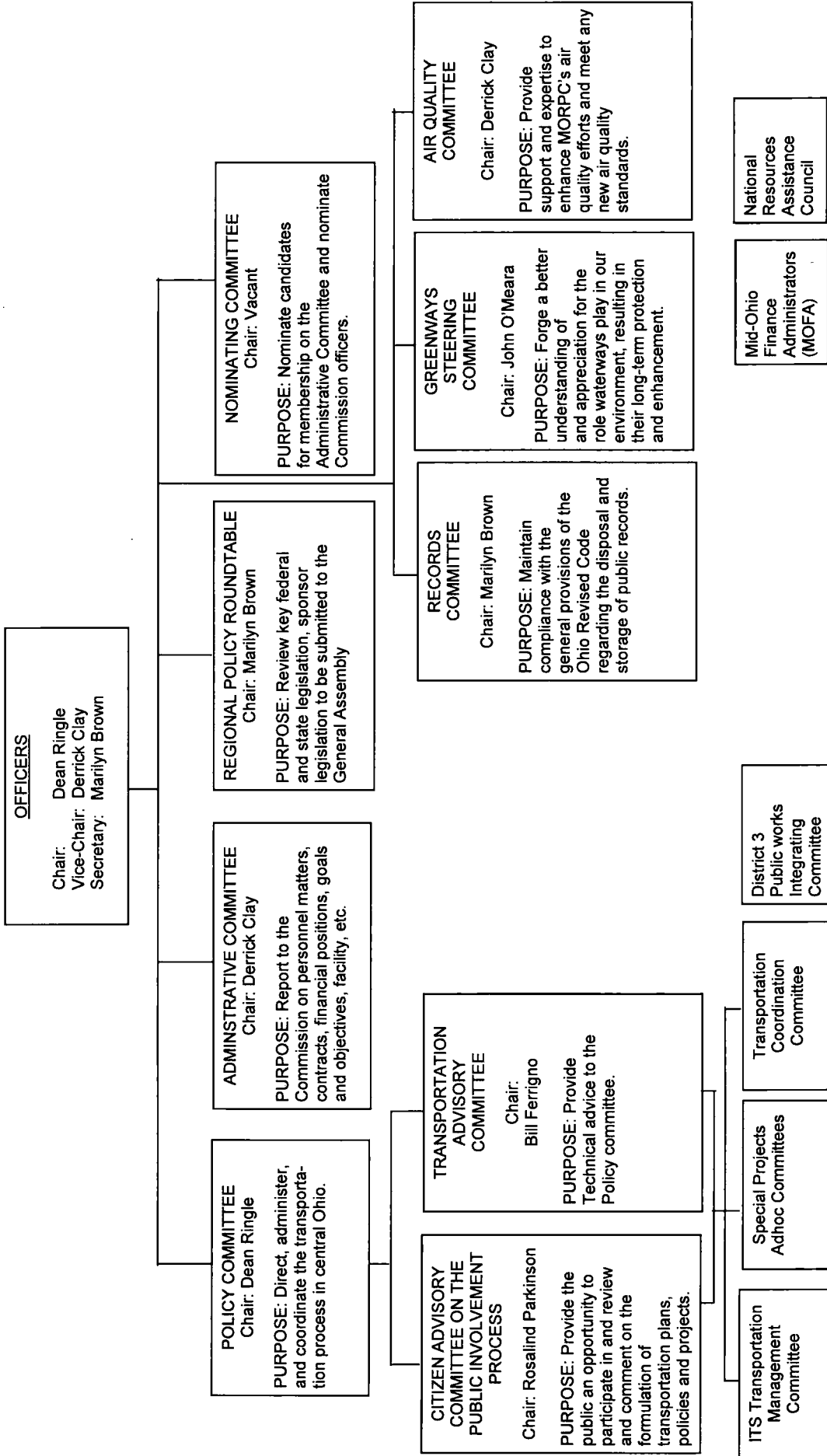
Organizational Chart—Staff

As of December 31, 2008



MID-OHIO REGIONAL PLANNING COMMISSION

As of 12/31/08



This page is left blank intentionally.

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board and Members of the
Mid-Ohio Regional Planning Commission
111 Liberty Street, Suite 100
Columbus, Ohio 43215

We have audited the accompanying basic financial statements of the business-type activities of the Mid-Ohio Regional Planning Commission, Franklin County, Ohio (the "Commission") as of and for the years ended December 31, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 opinion.

In our opinion, the business-type activities financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of December 31, 2008 and 2007, and the respective results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2009 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 Commission's financial statements taken as a whole. The Introductory Section on pages 1 to 14, Supplementary Information on pages 37 to 44, and the Statistical Section on pages 45 to 62 are presented for the purpose of additional analysis of the financial statements rather than to present the financial position, results of operations, and cash flows, and are not a required part of the financial statements. These schedules are the responsibility of the Commission's management. The Supplementary Information on pages 37 to 44 has been subject to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section on pages 1 to 14 and the Statistical Section on pages 45 to 62 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.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Commission. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects when considered in relation to the basic financial statements taken as a whole.

Kennedy Cottrell Richards LLC

Kennedy Cottrell Richards LLC
May 21, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

The following Management's Discussion and Analysis (MD&A) provides an overview of the Mid-Ohio Regional Planning Commission's (the Commission) financial performance and provides an introduction to the financial statements for the year ended December 31, 2008. The information contained in the MD&A should be considered in conjunction with the information presented in the Commission's financial statements and corresponding notes to the financial statements.

Financial Highlights

- Net assets decreased by \$2,406. The goal of the Commission is to provide the maximum level of service to Commission members within available funding, while achieving a small increase in net assets each year. This decrease in net assets was .03% of total revenue.
- Revenue increased by \$1,187,361 or 15.5% to \$8,846,587, the highest amount in the history of the agency. The increase was spread across all the agency funding sources. The Central Ohio Transit Authority On-Board Rider Survey was a new project in 2008 that increased federal revenue by over \$328,000. Other federal transportation projects that began in 2007 continued for the full year in 2008. State funding for housing counseling services and foreclosure assistance increased significantly in 2008 due to the national housing crisis. The increase in utility company revenue was primarily due to the addition of the Universal Service Fund Electric Partnership Program.
- Cash and investments at December 31, 2008 were \$4,496,915, down over \$666,000 from 2007, primarily due to cash expended for increased agency activities noted above, for which reimbursement had not been received. Additionally, in general there was an increase in the number of days outstanding for cash receipts in 2008.
- The Commission had an operating loss of \$138,442. This loss includes \$99,301 of depreciation expense, of which \$20,277 was depreciation on contributed assets. Additionally, \$50,000 of member dues collected in prior years was spent for a building feasibility study.

Overview of the Financial Statements

The Commission's financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Commission is structured as a single enterprise (proprietary) fund with revenues recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives. See the notes to the financial statements for a summary of the Commission's significant accounting policies.

Following this MD&A, are the basic financial statements of the Commission together with notes, which are essential to a full understanding of the data contained in the financial statements. Included in the financial statements for the Commission are the following:

Statement of Net Assets – This statement presents information on all the Commission’s assets and liabilities, with the difference between the two reported as net assets.

Statement of Revenue, Expenses and Changes in Net Assets – This statement measures the success of operations and can be used to determine whether the Commission successfully recovered all of its costs through Federal, State of Ohio, local government and utility company contracts, members’ per capita fees and other contributions and revenues.

Statement of Cash Flows – This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operating activities, and from capital and related financing activities. This statement provides answers to such questions as where did the cash come from, what was cash used for, and what was the net change in cash for each of the reporting periods. A reconciliation of operating income with net cash is also provided.

Financial Position

The following represents the Commission’s financial position for the years ended December 31:

Condensed Statement of Net Assets

	2008	2007	2006
ASSETS			
Current Assets	6,002,583	5,398,985	2,590,446
Capital Assets	305,816	269,265	1,084,054
Noncurrent Assets	1,405,868	1,517,431	1,469,439
Total Assets	7,714,267	7,185,681	5,143,939
LIABILITIES			
Current Liabilities	1,795,191	1,232,612	1,175,248
Noncurrent Liabilities	872,558	904,145	978,440
Total Liabilities	2,667,749	2,136,757	2,153,688
NET ASSETS			
Invested in Capital Assets	305,816	269,265	1,084,054
Unrestricted	4,740,702	4,779,659	1,906,197
Total Net Assets	5,046,518	5,048,924	2,990,251

Current assets increased by \$603,598 (11.2%). The increase was due to an increase in program funds advanced to the agency, an increase in mortgage notes receivable, accrued interest receivable and an increase in accounts receivable related to accrued expenses for program costs.

Noncurrent assets decreased by \$111,563 (7.4%). The major portion of the decrease was due to non-current mortgage notes receivable that became current in 2008.

Current Liabilities increased by \$562,579 (45.6%) primarily due to an increase in accounts payable due to agency growth and due to an increase in the amount of program funds advanced to

the agency in 2008, along with an increase in current mortgages receivable which carry with them a current liability to return any mortgages payments received to the federal government.

Noncurrent liabilities decreased by \$31,587 (3.5%) primarily due to non-current mortgage receivable amounts that became current in 2008, partially offset by an increase in accrued building lease expense. Currently, building operating lease expense exceeds the required cash payments.

Net assets invested in capital assets increased by \$36,551. Acquisitions of capital assets for the year exceeded depreciation of \$99,301 by this amount. There was no capital related debt at year end.

Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without external constraints, decreased by \$38,957, primarily due to the increase in capital assets net of depreciation.

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	2008	2007	2006
REVENUE			
Federal	4,966,886	4,484,674	4,393,973
Nonfederal	2,257,339	1,856,219	2,062,258
Foundations/Corporations	204,729	128,698	230,450
Utility company	1,417,633	1,189,635	1,090,087
Total Revenues	<u>8,846,587</u>	<u>7,659,226</u>	<u>7,776,768</u>
EXPENSES			
Salaries and benefits	4,501,545	4,406,035	4,147,686
Consultants and subcontracts	2,259,514	1,864,488	2,231,142
Depreciation	99,301	140,710	134,987
Other expenses	2,124,669	1,433,654	1,181,848
Total Expenses	<u>8,985,029</u>	<u>7,844,887</u>	<u>7,695,663</u>
OPERATING LOSS	(138,442)	(185,661)	81,105
INTEREST INCOME	119,652	64,095	22,869
CAPITAL CONTRIBUTIONS	16,384	64,497	116,838
SPECIAL ITEM - GAIN ON SALE OF BLDG	0	2,115,742	0
INCREASE IN NET ASSETS	<u>(2,406)</u>	<u>2,058,673</u>	<u>220,812</u>

Operating revenues increased by \$1,187,361 over the prior year (15.5%). The increase was due to an increase in subcontractor pass through costs for transportation planning, growth in the residential energy conservation and housing counseling programs and a full year of operation for the Center for Energy and Environment.

Operating expenses increased by \$1,140,142 (14.5%). The increase was due to an increase in subcontractor pass-through costs for transportation planning costs, increased rent costs for the building that was leased in November, 2007 and increased materials and supplies costs for replacement refrigerators and freezers purchased for distribution to homeowners under the Universal Service Fund Electric Partnership program.

Capital Assets

Capital assets of the Commission as of December 31, 2008 totaled \$305,816 (net of accumulated depreciation). The capital assets are primarily computer equipment. In 2008 the Commission acquired \$135,853 in new assets. 2008 depreciation expense was \$99,301. Disposals of \$34,428 were recorded in 2008.

Additional information on capital assets can be found in Note 3 of this report.

Long Term Debt

Long term debt at December 31, 2007 was \$0-. Under Ohio Revised Code, the Commission does not have authority to incur debt; however, the Commission may enter into capital leases. There was no debt for capital leases in 2008.

Economic Conditions

The Commission relies heavily on federal, state and local grants and contracts and utility company contracts along with member's dues, to fund its many programs. At present these revenue sources appear to be secure in the short term, however, legislative action and national economic conditions can affect each of these revenue streams in both the short term and the long term.

The Home Weatherization Assistance Program, operated by MORPC under contract with the Ohio Department of Development, is projected to approximately triple in size for the next 2-3 years due to funds to be received from The American Recovery and Reinvestment Act of 2009.

The transportation program has historically been the largest program of the agency. Legislation authorizing the federal transportation programs (SAFETEA-LU) was passed on August 10, 2005. SAFETEA-LU authorizes Federal surface transportation programs including for MPO planning for the 5-federal fiscal year period 2005-2009. While the legislation provided increased funding to the transportation program, the complexities of the law, rescissions to help fund hurricane Katrina reconstruction and the war in Iraq have resulted in a 6% decrease in these funds between state fiscal years 2006 and 2007. The Treasury Department has estimated the Highway Trust Fund (HTF) will experience a \$3.2 billion deficit by the end of FFY 2009. Unless Congress finds funding to replace the shortfall, the states will receive significantly less funding starting October 2009. The transportation funds received by MORPC are dependent upon the amount of funding received by Ohio. There is precedent for Congress to fill deficits in the HTF since it took the step of using funding from the nation's general funds to support the HTF in the fall of CY 2008. SAFETEA-LU called for and Congress convened a National Surface Transportation Infrastructure Financing Commission to investigate and recommend ways for the nation to overcome the insufficient investments in transportation over the recent past. It is unlikely the Commission's recommendations would be acted upon until the next reauthorization of transportation legislation. This legislation should be in place by the beginning of FFY 2010, but it

is unlikely to be passed on schedule. Continuing authorizations are expected to provide funding until the next reauthorization. Consequently, it is unclear if the already identified shortfall in 2009 will be rectified. SAFETEA-LU provides for approximately a 3% per year increase over the life of the legislation, but, as we have already seen, national priorities can result in funding decreases as can revenue shortfalls.

2007-2006 Highlights

In 2007 the MORPC office building was sold for \$2.9 million. A \$2.1 million gain on the sale was recorded as a special item in the Statements of Revenues, Expenses, and Changes in Net Assets. In 2007 MORPC reported a decrease in revenue of \$117,542 to \$7,659,226 and a decrease in net assets, excluding the impacts of special items, of \$57,069. Cash on hand increased from \$1,599,549 to \$4,218,490 due to the building sale. The Commission had an operating loss of \$185,661.

Contacting the Commission

This financial report is designed to provide our members, grantors, federal and state oversight agencies and the citizens of central Ohio with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Additional financial information can be obtained by contacting the Finance Director, Mid-Ohio Regional Planning Commission, 111 Liberty Street, Suite 100, Columbus, Ohio, 43215.

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENTS OF NET ASSETS AS OF DECEMBER 31, 2008 AND 2007

	2008	2007
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,050,079	\$ 4,218,490
Investments	2,500,000	0
Accounts receivable	2,113,818	1,041,929
Accrued interest receivable	51,153	0
Other prepaid expenses	133,141	84,869
Mortgage notes receivable	154,392	31,837
Prepaid rent	0	21,860
	<u>6,002,583</u>	<u>5,398,985</u>
Total current assets		
NONCURRENT ASSETS:		
Capital assets — net of accumulated depreciation	305,816	269,265
Cash — board designated for building repairs and replacements	946,836	944,625
Mortgages notes receivable	442,587	559,504
Other prepaid expense	16,445	13,302
	<u>1,711,684</u>	<u>1,786,696</u>
Total noncurrent assets		
TOTAL	<u>\$ 7,714,267</u>	<u>\$ 7,185,681</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Current liabilities:		
Accounts payable	\$ 478,294	\$ 290,832
Accrued — payroll and fringe benefits	319,389	282,915
Accrued — vacation and sick leave	70,000	57,500
Unearned revenue — federal	364,550	196,946
Unearned revenue — nonfederal	562,958	404,419
	<u>1,795,191</u>	<u>1,232,612</u>
Total current liabilities		
Noncurrent liabilities:		
Accrued vacation and sick leave	331,801	348,349
Accrued building lease expense	101,928	0
Unearned revenue — federal	438,829	555,796
	<u>872,558</u>	<u>904,145</u>
Total noncurrent liabilities		
Total liabilities	<u>2,667,749</u>	<u>2,136,757</u>
NET ASSETS:		
Invested in capital assets	305,816	269,265
Unrestricted	4,740,702	4,779,659
	<u>5,046,518</u>	<u>5,048,924</u>
Total net assets		
TOTAL	<u>\$ 7,714,267</u>	<u>\$ 7,185,681</u>

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
REVENUES:		
Governmental:		
Federal grants and contracts	\$ 4,966,886	\$ 4,484,674
Nonfederal:		
Members' per capita fees	668,428	630,942
State grants and contracts	515,101	288,227
Local contracts and other	<u>1,073,810</u>	<u>937,050</u>
Total nonfederal	2,257,339	1,856,219
Foundations/corporate contributions	204,729	128,698
Utility company contracts	<u>1,417,633</u>	<u>1,189,635</u>
Total revenues	<u>8,846,587</u>	<u>7,659,226</u>
EXPENSES:		
Salaries and benefits	4,501,545	4,406,035
Consultants and subcontractors	2,259,514	1,864,488
Other services	660,466	519,175
Rent and utilities	402,978	150,149
Materials and supplies	464,163	223,766
Printing	25,408	50,851
Travel	66,286	67,166
Depreciation	99,301	140,710
Advertising	113,436	100,298
Other	<u>391,932</u>	<u>322,249</u>
Total expenses	<u>8,985,029</u>	<u>7,844,887</u>
OPERATING INCOME (LOSS)	(138,442)	(185,661)
NON-OPERATING INCOME		
Interest Income	<u>119,652</u>	<u>64,095</u>
Income (Loss) before contributions	(18,790)	(121,566)
Capital Contributions	<u>16,384</u>	<u>64,497</u>
SPECIAL ITEM		
Gain on sale of building	<u>0</u>	<u>2,115,742</u>
CHANGE IN NET ASSETS	(2,406)	2,058,673
NET ASSETS — Beginning of year	<u>5,048,924</u>	<u>2,990,251</u>
NET ASSETS — End of year	<u>\$ 5,046,518</u>	<u>\$ 5,048,924</u>

See notes to financial statements

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Received from federal grants and contracts	\$ 4,333,014	\$ 4,317,286
Received from state, local, utility company grants and contracts, and other	3,600,979	3,015,582
Payments for salaries and benefits	(4,469,119)	(4,378,722)
Payments for consultants and subcontractors	(1,952,146)	(1,780,988)
Other payments	<u>(2,138,459)</u>	<u>(1,399,603)</u>
Net cash provided by (used in) operating activities	<u>(625,731)</u>	<u>(226,445)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	68,499	64,095
Investment Purchases	<u>(2,500,000)</u>	<u>0</u>
Net cash provided by investing activities	<u>(2,431,501)</u>	<u>64,095</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property and equipment	(125,351)	(119,631)
Capital contributions	16,383	68,496
Sale of building	<u>0</u>	<u>2,900,000</u>
Net cash used in capital and related financing activities	<u>(108,968)</u>	<u>2,848,865</u>
(DECREASE) INCREASE IN CASH DEPOSITS	(3,166,200)	2,686,515
CASH DEPOSITS — Beginning of year (including \$944,625 and \$877,051 in cash, board designated for building repairs and replacement at January 1, 2008 and 2007, respectively)	<u>5,163,115</u>	<u>2,476,600</u>
CASH DEPOSITS — End of year (including \$946,836 and \$944,625 in cash, board designated for building repairs and replacements at December 31, 2008 and 2007, respectively)	<u>\$ 1,996,915</u>	<u>\$ 5,163,115</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES —		
Operating income (loss)	<u>\$ (138,442)</u>	<u>\$ (185,661)</u>
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	\$ 99,301	\$ 140,710
Changes in assets and liabilities:		
Accounts receivable	(1,071,890)	(139,711)
Prepaid rent and building fund	21,860	(21,860)
Other prepaid expenses	(51,415)	8,410
Accounts payable	176,959	104,772
Accrued liabilities	134,354	27,311
Unearned grants and contract revenue and mortgage notes receivable	<u>203,542</u>	<u>(160,416)</u>
Total adjustments	<u>(487,289)</u>	<u>(40,784)</u>
Net cash provided by (used in) operating activities	<u>\$ (625,731)</u>	<u>\$ (226,445)</u>

MID-OHIO REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — The Mid-Ohio Regional Planning Commission (“MORPC”) was created in December 1969 as the successor to the Franklin County Regional Planning Commission under authority granted by state statute. MORPC is a regional planning agency composed of representatives from political subdivisions in and around Franklin County, Ohio. These representatives gain membership in MORPC by satisfying certain eligibility and conditional requirements. MORPC serves communities in central and south-central Ohio by supervising, monitoring, and performing planning activities affecting the present and future environmental, social, economical, and government characteristics of the region. MORPC is not subject to federal or state income taxes.

In accordance with Government Accounting Standards Board (“GASB”) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units, an amendment of GASB Statement No. 14*, MORPC is not considered part of the Franklin County (the “County”) financial reporting entity as a result of the following:

- MORPC is a separate legal entity, established under Section 713.21 of the Ohio Revised Code (“ORC”).
- The County holds only 13 of 84 seats on MORPC’s governing Board.
- MORPC is not fiscally dependent on the County.
- MORPC provides services to members outside of the County.

There are no agencies or organizations for which MORPC is considered the primary government. Accordingly, MORPC, including the Hope for Homeownership of Single Family Homes Program (“HOPE 3”) Trust (see Note 1), is the sole organization of the reporting entity.

Basis of Accounting — In accordance with accounting principles generally accepted in the United States of America for governmental entities such as MORPC, a proprietary fund is used to account for operations since they are financed and operated in a manner similar to private business enterprises. The intent of MORPC is to recover costs of the services provided to its members, the federal government, the state, and all other contracting organizations on an actual cost reimbursement basis, with no provision for profit. The proprietary fund is accounted for on the accrual basis of accounting, using a flow of economic resources measurement focus. Revenue is recognized in the period earned and expenses are recognized in the period incurred. The financial statements include both MORPC and the HOPE 3 Trust, a blended component unit, which was established principally for the purpose of holding title to certain real estate for MORPC.

Revenue Recognition — Revenue is derived from federal, state, county, and local funding, as well as foundations, corporations, and utility company contracts. MORPC members are charged an annual fee on a per-capita basis as determined by MORPC pursuant to the Articles of Agreement of MORPC. In addition, MORPC receives federal grants, which include amounts from the Department of Housing and Urban Development, the Federal Transit Administration, the Federal Highway Administration (in conjunction with the Ohio Department of Transportation), the U.S. Department of Energy, the U.S. Department of Health and Human Services (in conjunction with the Ohio Department of Development) and the U.S. Environmental Protection Agency.

Revenues are recognized in the statements of revenues, expenses, and changes in net assets when earned. Cash received for which applicable services have not been performed are recorded as unearned grant and contract revenue in the statements of net assets.

Proprietary funds distinguish operating revenues from non-operating revenues. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. MORPC receives revenue from those who directly benefit from the services of MORPC and receives revenue from other governments restricted to a specific program or programs. Revenue from these sources has been classified as operating revenue.

Property and Equipment — MORPC capitalizes at cost all purchased property and equipment costing \$1,000 and greater and with a useful life greater than one year. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 4–40 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Donated property and equipment are recorded at fair market value on date donated. Upon sale or disposition of property and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

Cash Deposits and Cash Equivalents — as required by ORC Section 713.21, MORPC must deposit all receipts in the Franklin County Treasury. The County Treasurer maintains a cash and investment pool used for all County Treasury activities.

Pursuant to ORC Section 135.181, the County's deposits are covered by collateral held by third-party trustees in collateral pools securing all public funds on deposits with specific depository institutions. There is no regulatory oversight for the pool. A portion of the deposits is held in the County's name in non-interest-bearing demand deposit accounts in institutions with branches in Franklin County. A portion of the deposits is in time certificates of deposit registered in the County's name and is held by the County.

During 2008 and 2007, Franklin County held investments on behalf of MORPC in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investments could be sold for on December 31, 2008 and December 31, 2007.

MORPC's deposits with Franklin County have carrying amounts of \$1,862,850 and bank balances of \$1,753,987 at December 31, 2008, with the difference primarily due to deposits in transit and December interest. At December 31, 2007, MORPC's deposits with Franklin County had a carrying amount of \$5,023,278 and bank balances of \$4,993,621. Included in these bank balances are \$946,836 and \$944,625 for December 31, 2008 and 2007 respectively, which is designated by the MORPC Board for building repairs and replacements. Franklin County's deposits of MORPC funds are held by third-party trustees, pursuant to ORC Section 135.181, in collateral pools securing all public monies on deposit with specific depository institutions. The fair value of the position in this external investment pool is the same as the value of the pool shares. MORPC's deposits relating to the HOPE 3 Trust had carrying amounts of \$134,065 and \$139,837 at December 31, 2008 and 2007, respectively. The bank balances are \$138,651 and \$157,331 at December 31, 2008 and 2007, respectively, with the difference in 2007 and 2008, mainly due to cash transfers that had not cleared the bank account.

Custodial credit risk for deposits is the risk that in the event of bank failure, MORPC will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$-0- of cash deposits and cash equivalents was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution.

Investments — The ORC does not provide MORPC the power to make or hold investments other than the non-interest-bearing deposits in the Franklin County Treasury explained above. By written agreement with Franklin County, the proceeds from the sale of the MORPC office building were invested by the County on behalf of MORPC with all the proceeds from the investments flowing to MORPC. The \$2.9 million proceeds from the sale of the MORPC office building were invested in a separate account in the Ohio State Treasurer's investment pool (STAROhio) and in a certificate of deposit with Nationwide Bank. The certificate of deposit is fully collateralized in the name of Franklin County. The balance in STAROhio and the Nationwide Bank certificate of deposit at December 31, 2008 were \$456,366 and \$2,500,000 respectively.

Investments are reported at original cost. As of December 31, 2008, Franklin County held the following investments on behalf of MORPC:

	<u>Cost</u>	<u>Maturity</u>
Nationwide Bank – Certificate of Deposit	\$2,500,000	April 15, 2009

Interest Rate Risk — Investments held by Franklin County on behalf of MORPC are required to mature within five years unless matched to a specific obligation of the agency. To the extent possible, the agency will attempt to match its investments with anticipated cash flow requirements.

Credit Risk — STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least on nationally recognized standard rating service. For funds invested by Franklin County on behalf of MORPC, safety of principal is the foremost objective of the investment program. Investments of the agency shall be undertaken in a manner that ensures the preservation of capital in the overall portfolio. At no time will the safety of the portfolio's principal be impaired or jeopardized. Safety is defined as the certainty of receiving interest, plus full par value at the security's legal final maturity.

Debt – The ORC does not provide MORPC the power to incur debt other than for capital leases for the purchase of equipment or property and buildings for housing commission operations.

Cash Equivalents — For purposes of the statements of cash flows, MORPC considers all cash deposits held by the Franklin County Treasury, investments on behalf of MORPC in the State Treasury Asset Reserve of Ohio (STAROhio) and the HOPE 3 deposits, to be cash equivalents since they are available to MORPC upon demand.

Proprietary Accounting — Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, MORPC follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. MORPC has elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Compensated Absences — MORPC employees are granted annual leave (vacation) and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated annual leave and a percentage of accumulated sick leave.

Sick leave benefits are accrued using the vesting method in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. An accrual for earned sick leave is reduced to the maximum amount allowed as a termination payment. The liability is based on the probability that individual employees will become eligible to receive termination payments.

MORPC allows employees to annually convert up to one year's worth of unused annual leave and sick leave to cash compensation with various restrictions. The amount employee's converted in 2008 and 2007 was approximately \$46,000 and \$43,000, respectively, reducing MORPC's liability.

HOPE 3 Program — MORPC manages the Hope for Homeownership of Single Family Homes Program in which MORPC acquires homes with federal monies, refurbishes the homes, and then sells them to qualified buyers in exchange for mortgage notes. In accordance with the mortgage note, a percentage of the mortgage note is forgiven as long as the owner continues to live in the home. Management expects the notes to be forgiven over time.

Real estate held for resale is stated at fair value. Real estate held for resale consists of single-family homes, which are to be sold to qualifying participants under the HOPE 3 program as established by the United States Department of Housing and Urban Development. MORPC held no real estate for resale as of December 31, 2008 and 2007.

HOPE 3 mortgage notes receivable represent amounts due from homeowners resulting from the sale of homes under the HOPE 3 program. These notes receivable are collateralized by second mortgages and are due upon the subsequent sale of the homes, or the amounts are forgiven pursuant to HOPE 3 guidelines. MORPC has recorded deferred revenues in amounts equal to the mortgage loans receivable. These deferred revenues represent amounts advanced by the United States Department of Housing and Urban Development to fund the HOPE 3 program. Upon forgiveness of the mortgage notes receivable such amounts will be charged against deferred revenue.

Special and Extraordinary Items — Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are significant items, subject to management's control, that meet one, but not both, of the criteria used for identifying extraordinary

items. In 2007, the MORPC office building was sold for \$2.9 million. The sale was recorded as a special item.

Use of 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 amount 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 reported period. Actual results could differ from those estimates.

New Accounting Pronouncements — In June 2005, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information in the financial reports of state and local government employers. This Statement is effective for periods beginning after December 15, 2008, for governments with total revenue of less than \$10 million.

In July 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The statement provides needed guidance regarding how to identify, account for, and report intangible assets. This statement is effective for periods beginning after June 15, 2009. Management has not yet determined the impact this statement will have on its financial statements.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. This statement is effective for periods beginning after June 15, 2008. Management has not yet determined the impact this statement will have on its financial statements.

In June, 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Statement 53 is intended to improve how state and local governments report information about derivative instruments—financial arrangements used by governments to manage specific risks or make investments—in their financial statements. The Statement specifically requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for financial statements for reporting periods beginning after June 15, 2009, with earlier application encouraged. Management has not yet determined the impact this statement will have on its financial statements.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Statement 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types.

Fund balance—the difference between assets and liabilities in the governmental fund financial statements—is among the most widely and frequently used information in state and local government financial reports. The GASB developed Statement 54 to address the diversity of practice and the resulting lack of consistency that had evolved in fund balance reporting. To reduce confusion, the new standards establish a hierarchy of fund balance classifications based primarily on

the extent to which a government is bound to observe spending constraints imposed upon how resources reported in governmental funds may be used.

Statement 54 distinguishes fund balance between amounts that are considered *nonspendable*, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- *Restricted*—amounts constrained by external parties, constitutional provision, or enabling legislation
- *Committed*—amounts constrained by a government using its highest level of decision-making authority
- *Assigned*—amounts a government intends to use for a particular purpose
- *Unassigned*—amounts that are not constrained at all will be reported in the general fund.

The new standards also clarify the definitions of individual governmental fund types. It interprets certain terms within the definition of special revenue fund types, while further clarifying the debt service and capital projects fund type definitions. The final standard also specifies how economic stabilization or “rainy-day” amounts should be reported.

GASB Statement 54 is effective for financial statements for periods beginning after June 15, 2010. Governments that wish to implement earlier than that date are encouraged to do so. Management has not yet determined the impact this statement will have on its financial statements.

In April, 2009, the issued GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB’s authoritative literature. It is intended to make it easier for preparers of state and local government financial statements to identify and apply the “GAAP hierarchy,” which consists of sources of accounting principles used in the preparation of financial statements so that they are presented in conformity with GAAP and the framework for selecting those principles.

The Statement will improve financial reporting by contributing to the GASB’s efforts to codify all GAAP for state and local governments so that they derive from a single source.

Prior to the Statement, the GAAP hierarchy was set forth in the American Institute of Certified Public Accountants’ (AICPA) Statement on Auditing Standards (SAS) No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*, rather than in the authoritative literature of the GASB. Statement 55 moves relevant portions of that SAS to the GASB literature without substantive changes. Because the GASB chose not to reconsider the guidance provided in the SAS, the order of priority for accounting and financial reporting guidance will remain unchanged in practice.

Statement 55 was effective immediately upon its release.

2. CASH DESIGNATED FOR REPLACEMENTS

During 2008 and 2007, MORPC held monies with the Franklin County Treasury, which are designated to be used for major replacements, repairs and maintenance of its office facility, which totaled \$946,836 and \$944,625 at December 31, 2008 and 2007, respectively.

3. PROPERTY AND EQUIPMENT

The change in capital assets during the year ended December 31, 2008 and 2007 are as follows:

Leasehold improvements	\$ 19,991	\$ 29,956	\$ 0	\$ 49,947
Leased equipment	11,184	0	10,592	592
Furniture and equipment	785,503	105,896	23,836	867,563
Automobiles and light trucks	<u>178,587</u>	<u>0</u>	<u>0</u>	<u>178,587</u>
Total capital assets being depreciated	<u>995,265</u>	<u>135,852</u>	<u>34,428</u>	<u>1,096,689</u>
Less accumulated depreciation:				
Leasehold improvements	0	5,650	0	5,650
Leased equipment	11,184	0	10,592	592
Furniture and equipment	545,832	90,450	23,836	612,446
Automobiles and light trucks	<u>168,984</u>	<u>3,201</u>	<u>0</u>	<u>172,185</u>
Total accumulated depreciations	<u>726,000</u>	<u>99,301</u>	<u>34,428</u>	<u>790,873</u>
Total capital assets — net of depreciation	<u>\$ 269,265</u>	<u>\$ 36,551</u>	<u>\$ 0</u>	<u>\$ 305,816</u>
	Balance December 31, 2006	Additions	Deletions	Balance December 31, 2007
Capital assets being depreciated:				
Building	\$ 1,801,000	\$ 0	\$ 1,801,000	\$ 0
Leasehold improvements	512,507	19,991	512,507	19,991
Leased equipment	201,746	0	190,562	11,184
Furniture and equipment	761,510	94,188	70,195	785,503
Automobiles and light trucks	<u>178,587</u>	<u>0</u>	<u>0</u>	<u>178,587</u>
Total capital assets being depreciated	<u>3,455,350</u>	<u>114,179</u>	<u>2,574,264</u>	<u>995,265</u>
Less accumulated depreciation:				
Building	1,103,113	41,273	1,144,386	0
Leasehold improvements	370,726	14,138	384,864	0
Leased equipment	201,746	0	190,562	11,184
Furniture and equipment	528,732	83,295	66,195	545,832
Automobiles and light trucks	<u>166,979</u>	<u>2,005</u>	<u>0</u>	<u>168,984</u>
Total accumulated depreciation	<u>2,371,296</u>	<u>140,711</u>	<u>1,786,007</u>	<u>726,000</u>
Total capital assets — net of depreciation	<u>\$ 1,084,054</u>	<u>\$ (26,532)</u>	<u>\$ 788,257</u>	<u>\$ 269,265</u>

4. ACCOUNTS RECEIVABLE

A schedule of MORPC's accounts receivable as of December 31, 2008 and 2007, are as follows:

	2008	2007
Federal grants and contracts	\$ 1,348,940	\$ 714,313
State and local contracts	448,088	315,096
Utility company contracts	<u>316,790</u>	<u>12,520</u>
Total	<u>\$2,113,818</u>	<u>\$1,041,929</u>

5. LEASES

MORPC leases office space to house the MORPC office staff under an operating lease that was entered into on November 1, 2007 for approximately 21,449 square feet of rentable area. The operating lease has an initial term of 10 years and can be canceled after three years. The 2008 cost for the lease was \$367,529. Future minimum payments, by year, under this lease consisted of the following at December 31, 2008:

2009	\$332,460
2010	\$336,035
2011	\$353,909
2012	\$362,846
2013	\$407,531
2014-2017	\$1,562,206

MORPC leases warehouse space for the home weatherization program under an annual operating lease with no contingent rentals. The 2008 cost for the lease was \$12,000.

6. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

All MORPC employees participate, through Franklin County, in the statewide Ohio Public Employees Retirement System ("OPERS"). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.
2. The member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-22-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2008 member and employer contribution rates were consistent across all three plans. In 2008, local government employer units were required to contribute 14.00%, 13.85% in 2007 and 13.70% in 2006 of covered payroll. Member contribution rates were 10.0% in 2008, 9.5% in 2007 and 9.0% in 2006.

Total required employer contributions billed to the MORPC are equal to 100% of employer charges and were approximately \$461,000, \$424,000, and \$423,000 for the years ending December 31, 2008, 2007, and 2006, respectively.

OPERS also maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which included a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-22-5601 or 1-800-222-7377.

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. The 2008 and 2007 local government employer unit contribution rate was 14.00% and 13.85% of covered payroll respectively. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2008, the employer contribution allocated to the health

care plan was 7.0% and from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5% and 6% respectively. The portion of MORPC's 2008 and 2007 contributions that were used to fund postemployment benefits was \$230,000 and \$178,000, respectively. The ORC provides the statutory authority requiring public employers to fund postretirement health care through their contributions to OPERS.

The assumptions and calculations below were based on the OPERS' latest Actuarial Review performed as of December 31, 2007. 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 unfunded actuarial accrued liability. 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, not to exceed a 12% corridor. The investment assumption rate for 2007 was 6.5%. An annual increase of 4% 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% base increase, were assumed to range from 0.5% to 6.3%. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 4% for the next 7 years. In subsequent years (8 and beyond) health care costs were assumed to increase 4% (the projected wage inflation rate).

OPEB are advance-funded on an actuarially determined basis. As of December 31, 2007, the actuarial value of the OPERS' net assets available for OPEB was \$12.8 billion. The number of active contributing participants was 363,503. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.8 billion and \$17.0 billion, respectively.

The Health Care Preservation Plan ("HCPP") adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

7. CONTINGENCIES

Federal and state contracts are subject to review and audit by the grantor agencies or their designees. Such audits could lead to requests for reimbursement to the grantor agency for expenses disallowed under terms of the grant. There are no such claims pending and no known situations, which would lead to such a claim. In addition, based upon prior experience and audit results, management believes that such disallowances, if any, would be immaterial.

In the normal course of its business activities, MORPC may become subject to claims and litigation relating to contract, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on MORPC's financial position.

8. RISK MANAGEMENT

MORPC is exposed to various risks of losses related to torts, theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

As required by state law, MORPC is insured through the State of Ohio Bureau of Workers' Compensation for injuries to its employees through the County. The County allocates the claim

liability between all agencies that participate through them. MORPC's current claims liability as of December 31, 2008 and 2007, respectively, was approximately \$35,000 and \$47,900 and is included in accrued liabilities — payroll and fringe benefits balance.

MORPC has insurance for both general liability and automobile claims and hospitalization and medical benefit coverage to all of its full-time employees. There were no changes in the above policies during 2008 and 2007 and during the past three years insurance coverage was sufficient to cover all losses.

9. FEDERAL GRANTS AND CONTRACTS REVENUE

Federal grants and contracts for the years ended December 31, 2008 and 2007 are made up of the following:

	2008	2007
Federal grants	\$ 4,769,312	\$ 4,446,283
TANF Mortgages Forgiven	\$ 14,117	0
Federal contracts	<u>183,457</u>	<u>38,391</u>
Total federal grants and contracts	<u>\$ 4,966,886</u>	<u>\$ 4,484,674</u>

10. NONCURRENT LIABILITIES

The changes in MORPC's noncurrent liabilities for the years ended December 31, 2008 and 2007 are as follows:

	Beginning Balance December 31, 2007	Additions	Reductions	Ending Balance December 31, 2008	Current Portion December 31, 2008
Annual leave	\$ 141,135	\$ 263,163	\$ (255,373)	\$ 148,925	\$ 40,000
Sick leave	<u>264,714</u>	<u>100,449</u>	<u>(112,287)</u>	<u>252,876</u>	<u>30,000</u>
Accrued vacation and sick leave	405,849	363,612	(367,660)	401,801	70,000
Accrued Building Lease Expense	0	101,928	0	101,928	0
Unearned revenue — Federal	<u>752,742</u>	<u>161,625</u>	<u>(110,988)</u>	<u>803,379</u>	<u>364,550</u>
Total noncurrent liabilities	<u>\$ 1,158,591</u>	<u>\$ 627,165</u>	<u>\$ (478,648)</u>	<u>\$ 1,307,108</u>	<u>\$ 434,550</u>

	Beginning Balance December 31, 2006	Additions	Reductions	Ending Balance December 31, 2007	Current Portion December 31, 2007
Annual leave	\$ 125,684	\$ 257,452	\$ (242,001)	\$ 141,135	\$ 30,000
Sick leave	<u>280,673</u>	<u>88,921</u>	<u>(104,880)</u>	<u>264,714</u>	<u>27,500</u>
Accrued vacation and sick leave	406,357	346,373	(346,881)	405,849	57,500
Unearned revenue — Federal	<u>816,389</u>	<u>59,404</u>	<u>(123,051)</u>	<u>752,742</u>	<u>196,944</u>
Total noncurrent liabilities	<u>\$ 1,222,745</u>	<u>\$ 405,777</u>	<u>\$ (469,932)</u>	<u>\$ 1,158,591</u>	<u>\$ 254,444</u>

11. SUBSEQUENT EVENTS

During the next two calendar years MORPC expects to receive nearly \$4.6 million in federal funds, from the American Recovery and Reinvestment Act, to expand the services of the Home Weatherization Assistance Program administered by the Ohio Department of Development. This funding will approximately triple the size of the program.

SUPPLEMENTARY INFORMATION

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF REVENUES AND EXPENSES-BUDGET AND ACTUAL FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2008

	<u>Actual</u>	<u>Budget</u>	<u>Variance favorable (unfavorable)</u>
Revenue			
Transportation Programs	\$ 4,169,405	\$ 4,234,800	\$ (65,395)
Center for Energy & Environment	2,858,281	2,978,400	(120,119)
Housing	1,346,397	1,379,000	(32,603)
Services to Members & Development	399,509	498,700	(99,191)
Other	72,995	188,100	(115,105)
Total Operating Revenues	\$ 8,846,587	\$ 9,279,000	\$ (432,413)
Expenses			
Salaries and benefits	\$ 4,501,545	\$ 4,737,125	\$ (235,580)
Materials and Supplies	464,163	477,725	(13,562)
Consultants, services and other	3,920,020	4,072,150	(152,130)
Depreciation	99,301	97,800	1,501
Total Expenses	\$ 8,985,029	\$ 9,384,800	\$ (399,771)
Operations income (loss)	\$ (138,442)	\$ (105,800)	(32,642)
Interest Income	119,652	\$ 115,000	4,652
Capital Contributions	16,384	\$ 40,000	(23,616)
Increase (decrease) in net assets	\$ (2,406)	\$ 49,200	\$ (51,606)

MID-OHIO REGIONAL PLANNING COMMISSION

BUDGETARY ACCOUNTING

The accounting principles employed by MORPC in its budgetary accounting and reporting are the same as those used to present financial statements in accordance with generally accepted accounting principles. Outlined below are the annual procedures MORPC follows to establish the expense budget data.

In December, the Finance Director develops a comprehensive operating and capital budget for the following calendar year with detailed estimated revenue and expenses by source for each half calendar year. Detailed direct and indirect cost allocations by grant are included. This budget, including appropriations, is presented to MORPC's Administrative Committee of the Board for review and then submitted to the full Commission for adoption.

MORPC appropriates at the major account group level, which includes personal services, materials and supplies, services and charges, capital expenditures, debt service, and interfund transfer. The Administrative Committee can approve transfers among the appropriation accounts within the total appropriated by MORPC, which is the legal spending limit.

In March, the federal transportation planning work program is submitted along with contract applications for federal planning funds for the next July through June fiscal year. The indirect cost allocation plan is submitted for negotiation in the summer, for the following calendar year.

In July, following federal approval of the planning work program, MORPC's calendar year budget and appropriations are revised by the Finance Director, reviewed by the Administrative Committee and adopted by the full Commission.

Appropriations lapse at year-end. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed in conjunction with the Franklin County Auditor as an extension of formal budgetary control.

Interim financial statements comparing budget to actual in the same level of detail as the budget are prepared monthly on the accrual basis. These statements, along with narrative variance analyses, are reviewed four times during the year by the Administrative Committee.

This page is left blank intentionally.

MID-OHIO REGIONAL PLANNING COMMISSION
Details of Indirect Cost Allocation and Fringe Benefits Allocation
For the year ended December 31, 2008

	<u>Estimated CY 2008</u>	<u>Actual CY 2008</u>	<u>Difference (Over Bdgt.) Under Bdgt.</u>
Wages paid for time worked:			
Direct Labor	\$ 2,184,425	\$ 2,221,537	\$ (37,112)
Indirect Labor	\$ 731,025	\$ 685,632	\$ 45,393
Total Labor - base for fringe allocation	\$ 2,915,450	\$ 2,907,169	\$ 8,281
Fringe Benefits			
Annual Leave	\$ 235,000	\$ 206,375	\$ 28,625
Holidays, funeral, jury, other leave	\$ 92,000	\$ 96,894	\$ (4,894)
Sick Leave	\$ 95,000	\$ 77,125	\$ 17,875
Retirement Sick Leave	\$ 25,000	\$ 23,324	\$ 1,676
Vacation Carryover	\$ 46,200	\$ 56,788	\$ (10,588)
Other	\$ 2,000	\$ 2,000	\$ -
Subtotal Fringe Benefit Wages	\$ 495,200	\$ 462,506	\$ 32,694
Other Fringe Benefits			
OPERS	\$ 499,500	\$ 554,856	\$ (55,356)
Workers Comp	\$ 62,000	\$ 20,701	\$ 41,299
Unemployment Compensation	\$ 27,000	\$ 6,379	\$ 20,621
Medicare	\$ 47,000	\$ 40,662	\$ 6,338
Group Medical Insurance	\$ 475,000	\$ 444,383	\$ 30,617
Group EAP Insurance	\$ 16,000	\$ 9,384	\$ 6,616
Group Life Insurance	\$ 1,000	\$ 2,578	\$ (1,578)
Group Optical Insurance	\$ 5,000	\$ 3,790	\$ 1,210
Group Dental Insurance	\$ 36,000	\$ 29,866	\$ 6,134
Group Prescription Insurance	\$ 125,018	\$ 102,166	\$ 22,852
Employee Group Insurance Cost Sharing	\$ (96,200)	\$ (82,895)	\$ (13,305)
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ (59,866)	\$ (59,865)	\$ (1)
Subtotal Other Fringe Benefits	\$ 1,137,452	\$ 1,072,005	\$ 65,447
TOTAL FRINGE BENEFITS	\$ 1,632,652	\$ 1,534,511	\$ 98,141
Indirect Costs			
Salaries - Indirect Only	\$ 731,025	\$ 685,632	\$ 45,393
Fringe Benefits for Indirect Salaries	\$ 409,374	\$ 361,902	\$ 47,472
Materials & Supplies	\$ 55,000	\$ 54,176	\$ 824
Services & Charges	\$ 308,650	\$ 273,891	\$ 34,759
Rent & Utilites	\$ 167,000	\$ 243,486	\$ (76,486)
Other General Overhead	\$ 46,247	\$ 49,091	\$ (2,844)
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ (15,147)	\$ (15,145)	\$ (2)
TOTAL INDIRECT COSTS	\$ 1,702,149	\$ 1,653,033	\$ 49,116
Direct Labor Costs by Department:			
Transportation Planning	\$ 1,421,058	\$ 1,102,997	\$ 318,061
Environmental Services	\$ 195,256	\$ 517,667	\$ (322,411)
Residential Services	\$ 318,013	\$ 256,228	\$ 61,785
Housing	\$ 216,891	\$ 234,804	\$ (17,913)
Member Dues	\$ 75,064	\$ 100,353	\$ (25,289)
Other Grants/Programs	\$ 6,250	\$ 9,489	\$ (3,239)
Less Estimated Turnover	\$ (48,107)	\$ -	\$ (48,107)
Other	\$ -	\$ -	\$ -
TOTAL DIRECT LABOR COSTS	\$ 2,184,425	\$ 2,221,537	\$ (37,112)

MID-OHIO REGIONAL PLANNING COMMISSION
 Details of Indirect Cost Allocation and Fringe Benefits Allocation
 For the year ended December 31, 2008

	Estimated CY 2008	Actual CY 2008	Difference (Over Bdgt.) Under Bdgt.
Calculated Direct vs. Indirect Fringe Benefits Costs			
Direct Labor Fringe Benefits	\$ 1,223,278	\$ 1,172,609	\$ 50,669
Indirect Labor Fringe Benefits	\$ 409,374	\$ 361,902	\$ 47,472
TOTAL FRINGE BENEFITS	\$ 1,632,652	\$ 1,534,511	\$ 98,141
Fringe Benefit Cost Rate Computation			
TOTAL Fringe Benefit Costs /	\$ 1,632,652	\$ 1,534,511	
TOTAL Labor Costs (Direct & Indirect)	\$ 2,915,450	\$ 2,907,169	
= Fringe Benefit Cost Rate	56.00%	52.78%	
Estimated			
Fringe Benefit Cost Recovery Comparison (Direct Labor Portion Only)			
Should have recovered in fiscal year		\$ 1,172,609	52.78% of Direct Labor
Amount actually recovered in fiscal year		\$ 1,244,061	56.00% of Direct Labor
Prior Year Net (Over) / Under Recovery		\$ (59,866)	
Prior Year (Over) / Under Recovery Posted to Cost Pool		\$ (59,865)	
(Over)/Under Recovery of Fringe Benefits		\$ (71,453)	A (over)/under
Indirect Cost Rate Computation			
TOTAL Indirect Costs /	\$ 1,702,149	\$ 1,653,033	
DIRECT Labor + Direct Labor Fringe Benefits	\$ 3,407,703	\$ 3,394,146	
= Indirect Cost Rate	49.95%	48.70%	
Estimated			
Indirect Cost Recovery Comparison (All Indirect Costs, Indirect Labor & Indirect Labor Fringe Benefits)			
Should have recovered in fiscal year			
((Actual Direct Labor + Actual Direct Labor Fringe Benefits)		\$ 1,653,033	48.70% of Direct Labor + Direct Labor Fringe Benefits
Amount actually recovered in fiscal year			
((Actual Direct Labor + Direct Labor Fringe Benefits)		\$ 1,731,068	49.95% of Direct Labor + Direct Labor Fringe Benefits
Prior Year Net (Over) / Under Recovery		\$ (15,147)	
Prior Year (Over) / Under Recovery Posted to Cost Pool		\$ (15,145)	
(Over)/Under Recovery of Indirect Costs		\$ (78,036)	B (over)/under
Estimated			
Fringe Benefit Cost (Over)/Under Recovery		\$ (71,453)	A (over)/under
Indirect Cost (Over)/Under Recovery		\$ (78,036)	B (over)/under
Net (Over)/Under Recovery		\$ (149,489)	
Summary			
	CY 2008 Estimated	CY 2008 Actual	
Fringe Benefit Rate	56.00%	52.78%	
Indirect Cost Rate	49.95%	48.70%	
Total Overhead Cost Rate	105.95%	101.49%	

MID-OHIO REGIONAL PLANNING COMMISSION
DETAILS OF CUMULATIVE REVENUE AND EXPENSES AND COMPUTATION OF PROJECT
GRANTS ON FEDERAL TRANSPORTATION PROJECTS COMPLETED IN 2008

Year Ended December 31, 2008

	Federal Transit Administration FY 2008 Transit 134331 Planning Work Program	Federal Highway Administration/Ohio Department of Transportation 466081 Rideshare Program FY07	Federal Highway Administration/Ohio Department of Transportation 466224 Interagency Safety Partner	Federal Highway Administration/Ohio Department of Transportation 466209 Air Quality Awareness FY 08
Revenues:				
Federal grants: FHWA	\$ 1,579,051	\$ 585,000	\$ 7,500	\$ 0
STP	0	0	0	0
CMAQ	0	0	0	215,000
State grants: ODOT (FHWA match)	197,381	0	0	0
Allocation of per capita fees	0	0	0	0
Local matching funds	197,382	0	0	0
Overexpenditure of contract	0	0	0	230
In Kind Services	0	0	0	0
TOTAL REVENUES	\$ 1,973,814	\$ 585,000	\$ 7,500	\$ 215,230
Expenditures:				
Salaries and benefits	1,237,686	277,043	0	74,673
Consultants and services	0	51,882	7,500	76,659
Rent and utilities	0	458	0	644
Supplies	10,300	1,932	0	732
Printing	8,668	5,656	0	0
Travel	14,425	7,682	0	3,094
Depreciation	14,318	3,301	0	187
Other	45,115	87,444	0	20,968
In-kind services	0	0	0	0
Subtotal--direct expenditures	\$ 1,330,513	\$ 435,397	\$ 7,500	\$ 176,957
Overhead and indirect cost allocation	\$ 643,301	\$ 149,603	\$ 0	\$ 38,273
TOTAL EXPENDITURES	\$ 1,973,814	\$ 585,000	\$ 7,500	\$ 215,230
Federal participation in project cost may not exceed	80%	100%	100%	100%
Pursuant to contracts, the federal grant may not exceed the lesser of the percentage shown above, or	\$ 1,579,051	\$ 585,000	\$ 7,500	\$ 215,000
Accordingly the federal grant permissible is:	\$ 1,579,051	\$ 585,000	\$ 7,500	\$ 215,000
Less: Federal payments	1,579,051	585,000	7,500	215,000
Federal grant receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-

MID-OHIO REGIONAL PLANNING COMMISSION
DETAILS OF CUMULATIVE REVENUE AND EXPENSES AND COMPUTATION OF PROJECT
GRANTS ON FEDERAL TRANSPORTATION PROJECTS COMPLETED IN 2008

Year Ended December 31, 2008
 Continued

	Federal Highway Administration/Ohio Department of Transportation 466079 Supplemental Planning 07	Federal Highway Administration/Ohio Department of Transportation Preparation of Coordinated Plan
Revenues:		
Federal grants: FHWA	\$ 0	\$ 0
STP	250,000	104,857
CMAQ	0	0
State grants: ODOT (FHWA match)	0	0
Allocation of per capita fees--FHWA	0	0
Local matching funds	0	0
Overexpenditure of contract	17	0
In Kind Services	0	0
	<u>\$ 250,017</u>	<u>\$ 104,857</u>
TOTAL REVENUES	\$ 250,017	\$ 104,857
Expenditures:		
Salaries and benefits	82,066	27,934
Consultants and services	123,671	58,400
Rent and utilities	0	0
Supplies	114	29
Printing	0	0
Travel	155	10
Depreciation	0	0
Other	97	3,912
In-kind services	0	0
	<u>\$ 206,103</u>	<u>\$ 90,284</u>
Subtotal--direct expenditures	\$ 206,103	\$ 90,284
Overhead and indirect cost allocation	<u>\$ 43,914</u>	<u>\$ 14,573</u>
	\$ 250,017	\$ 104,857
TOTAL EXPENDITURES	\$ 250,017	\$ 104,857
Federal participation in project cost may not exceed	100%	100%
Pursuant to contracts, the federal grant may not exceed the lesser of the percentage shown above, or	\$ 250,000	\$ 120,000
Accordingly the federal grant permissible is:	\$ 250,000	\$ 104,857
Less: Federal payments	<u>250,000</u>	<u>104,857</u>
Federal grant receivable	<u>\$ -0-</u>	<u>\$ -0-</u>

MID-OHIO REGIONAL PLANNING COMMISSION
SCHEDULE OF COSTS BY SUBCATEGORY FOR
FEDERAL TRANSPORTATION GRANTS COMPLETED IN 2008
Year Ended December 31, 2008

SUBCATEGORIES	FHWA	ODOT	MORPC	STP	CMAQ	LOCAL	MORPC	TOTAL
601 Short Range Planning	80.00%	10.00%	10.00%					100.00%
60108-001 Short Range Multimodal Transp.	\$148,908	\$18,613	\$18,613	0	0	0	0	\$186,134
60108-002 Management & Operations	\$141,246	\$17,656	\$17,656	0	0	0	0	\$176,558
60108-003 Safety Planning	\$71,877	\$8,985	\$8,985	0	0	0	0	\$89,847
602 Transportation Improvement Program	80.00%	10.00%	10.00%					100.00%
60208-000 TIP & Implementation	\$181,782	\$22,723	\$22,723	0	0	0	0	\$227,228
605 Continuing Planning - Surveillance	80.00%	10.00%	10.00%					100.00%
60508-001 Transportation Data & Surveillance	\$337,666	\$42,208	\$42,208	0	0	0	0	\$422,082
60508-002 Transp Models & Applications	\$178,458	\$22,307	\$22,307	0	0	0	0	\$223,072
610 Long Range Planning	80.00%	10.00%	10.00%					100.00%
61008-001 Long Range Multimodal	\$359,548	\$44,944	\$44,944	0	0	0	0	\$449,436
61008-002 Transportation Public Involvement	\$98,348	\$12,294	\$12,294	0	0	0	0	\$122,936
625 Service	80.00%	10.00%	10.00%					100.00%
62518-000 Assistance to Public & Members	\$61,218	\$7,652	\$7,652	0	0	0	0	\$76,522
665 Planning				100.00%				100.00%
66537 - Supplemental Planning 07	0	0	0	\$250,000	0	0	\$17	\$250,017
66541- Interagency Safety Partner	100.00%							100.00%
66541- Interagency Safety Partner	\$7,500	0	0	0	0	0	0	\$7,500
66547- Prep of Coordinated Plan				100.00%				100.00%
66547- Prep of Coordinated Plan	0	0	0	\$104,857	0	0	0	\$104,857
667 66728 - Air Quality Awareness FY2008					100.00%			100.00%
667 66728 - Air Quality Awareness FY2008	0	0	0	0	\$215,000		\$230	\$215,230
66707 -Ride Solutions FY2007	100.00%							100.00%
66707 -Ride Solutions FY2007	\$585,000	0	0	0	0	0	0	\$585,000
Total	\$2,171,551	\$197,381	\$197,382	\$354,857	\$215,000	\$0	\$247	\$3,136,419

III. STATISTICAL SECTION

Mid-Ohio Regional Planning Commission

Statistical Section

This part of MORPC's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about MORPC's overall financial health. These tables are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

<u>Contents</u>	<u>Tables</u>
<i>Financial Trends</i> These schedules contain trend information to help understand how MORPC's financial performance and wellbeing have changed over time.	1-3
<i>Revenue Capacity</i> These schedules contain information to help access MORPC's most significant local revenue sources. MORPC does not have the authority to assess property taxes.	4-5
<i>Debt Capacity</i> The Ohio Revised Code does not provide MORPC the power to incur debt.	N/A
<i>Demographic and Economic Information</i> These schedules offer demographic and economic indicators to help the reader understand the environment within which MORPC's financial activities take place.	6-10
<i>Operating Information</i> These schedules contain service and infrastructure data to help the reader understand how the information in MORPC's financial report relates to the services MORPC provides and the activities it performs.	11 -14

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. MORPC implemented GASB 34 in 2004.

This page is left blank intentionally.

Table 1

Mid-Ohio Regional Planning Commission
Net Assets by Component
Last Five Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Invested in capital assets, net of related debt	1,082,246	1,063,380	1,084,054	269,265	305,816
Restricted	0	0	0	0	0
Unrestricted	1,591,336	1,706,059	1,906,197	4,779,659	4,740,702
Total net assets	\$2,673,582	\$2,769,439	\$2,990,251	\$5,048,924	\$5,046,518

Mid-Ohio Regional Planning Commission
Changes in Net Assets - Revenue and Expense by Program
Last Five Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Revenue					
Transportation	\$3,319,754	\$3,107,368	\$3,388,371	\$3,672,804	\$4,169,405
RideSolutions*	450,082	474,593	480,179	0	0
Center for Energy and Environment	0	0	0	0	2,858,281
Air Quality Awareness/Greenways**	190,138	173,918	214,618	470,424	0
Residential Energy Conservation**	1,535,960	1,639,559	1,623,246	1,843,841	0
Housing	1,036,700	1,064,958	1,165,522	1,128,560	1,346,397
All Other	1,011,265	939,580	904,832	543,597	472,504
Total Operating Revenues	\$7,543,899	\$7,399,976	\$7,776,768	\$7,659,226	\$8,846,587
Expenses					
Transportation	\$3,319,530	\$3,107,506	\$3,388,590	\$3,672,779	\$4,169,665
RideSolutions	450,086	474,593	480,179	0	0
Center for Energy and Environment	0	0	0	0	2,858,281
Air Quality Awareness/Greenways	190,138	173,986	214,616	480,513	0
Residential Energy Conservation	1,536,230	1,639,857	1,623,298	1,843,937	0
Housing	1,042,528	1,087,445	1,167,167	1,128,604	1,346,397
All Other	1,039,122	922,396	821,813	719,054	610,686
Total Operating Expenses	\$7,577,634	\$7,405,783	\$7,695,663	\$7,844,887	\$8,985,029
Operating Income (Loss)	(\$33,735)	(\$5,807)	\$81,105	(\$185,661)	(\$138,442)
Interest Income	0	0	22,869	64,095	119,652
Capital Contributions	90,328	101,664	116,838	64,497	16,384
Gain on Sale of Building	0	0	0	2,115,742	0
Increase (Decrease) in net assets	\$56,593	\$95,857	\$220,812	\$2,058,673	(\$2,406)
Net Assets - beginning of year	\$2,616,989	\$2,673,582	\$2,769,439	\$2,990,251	\$5,048,924
Net Assets - end of year	\$2,673,582	\$2,769,439	\$2,990,251	\$5,048,924	\$5,046,518

* Moved to Transportation in 2007

** Moved to Center for Energy and Environment in 2008

Mid-Ohio Regional Planning Commission
Changes in Net Assets - Revenue by Source, Expense by Program
Last Five Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008
Revenue					
Federal grants and contracts	\$4,242,481	\$4,010,115	\$4,393,973	\$4,484,674	\$4,966,886
Members' per capita fees	512,771	511,968	545,829	630,942	668,428
State grants and contracts	635,900	463,247	537,531	288,227	515,101
Local contracts and other	932,770	1,113,432	978,898	937,050	1,073,810
Foundations/corporate contributions	167,797	165,820	230,450	128,698	204,729
Utility company contracts	1,052,180	1,135,394	1,090,087	1,189,635	1,417,633
Total Operating Revenues	\$7,543,899	\$7,399,976	\$7,776,768	\$7,659,226	\$8,846,587
Expenses					
Transportation	\$3,319,530	\$3,107,506	\$3,388,590	\$3,672,779	\$4,169,665
RideSolutions *	450,086	474,593	480,179	0	0
Center for Energy and Environment **	0	0	0	0	2,858,281
Air Quality Awareness/Greenways	190,138	173,986	214,616	480,513	0
Residential Energy Conservation	1,536,230	1,639,857	1,623,298	1,843,937	0
Housing	1,042,528	1,087,445	1,167,167	1,128,604	1,346,397
All Other	1,039,122	922,396	821,813	719,054	610,686
Total Operating Expenses	\$7,577,634	\$7,405,783	\$7,695,663	\$7,844,887	\$8,985,029
Operating Income (Loss)	(\$33,735)	(\$5,807)	\$81,105	(\$185,661)	(\$138,442)
Interest Income	0	0	22,869	64,095	119,652
Capital Contributions	90,328	101,664	116,838	64,497	16,384
Increase (Decrease) in net assets	\$56,593	\$95,857	\$220,812	(\$57,069)	(\$2,406)
Gain on Sale of Building	\$0	\$0	\$0	\$2,115,742	\$0
Net Assets - beginning of year	\$2,616,989	\$2,673,582	\$2,769,439	\$2,990,251	\$5,048,924
Net Assets - end of year	\$2,673,582	\$2,769,439	\$2,990,251	\$5,048,924	\$5,046,518

* Moved to Transportation in 2007

Table 4

MID-OHIO REGIONAL PLANNING COMMISSION
Revenue Base and Revenue Rates
 Estimated Population by Member Jurisdiction Used for Per Capita Membership Fees

Governmental Unit	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Cities:										
Bexley	13,293	13,314	13,320	13,217	13,217	13,229	13,244	13,254	13,254	13,257
Chillicothe	22,394	22,394	22,499	21,903	21,966	21,966	22,004	22,054	22,141	22,183
Columbus	701,426	705,652	714,413	726,601	734,024	743,343	754,876	763,351	768,804	773,277
Delaware	23,745	24,490	26,435	27,294	28,710	29,599	30,645	31,701	31,949	32,088
Dublin	24,976	26,039	30,556	32,269	35,523	36,313	37,590	38,909	40,163	40,519
Gahanna	34,503	34,892	35,214	33,118	33,194	33,588	33,866	34,098	34,170	34,355
Grandview Heights	7,027	7,027	7,027	6,695	6,695	6,695	6,695	6,695	6,698	6,698
Grove City	25,129	25,632	28,481	30,224	30,679	30,826	31,583	32,447	33,483	33,699
Hilliard	21,064	22,506	23,244	25,555	25,996	26,844	28,163	28,557	28,730	28,850
London	8,574	8,765	8,869	8,877	9,031	9,084	9,181	9,290	9,420	9,420
Marysville	-	-	14,530	16,986	17,386	17,386	17,771	18,369	18,672	18,941
Pickerington	8,035	8,377	8,755	10,452	11,259	12,159	13,066	13,573	14,220	14,476
Powell	4,981	5,346	6,009	7,115	6,995	7,434	8,755	9,607	10,142	10,524
Reynoldsburg	31,466	31,928	32,281	32,926	33,369	33,623	34,512	35,385	35,755	35,787
Upper Arlington	35,921	35,934	35,990	33,767	33,785	33,797	33,816	33,837	33,923	34,023
Washington	14,077	14,077	14,131	13,582	13,644	13,805	14,080	14,335	14,400	14,443
Westerville	34,948	35,926	36,278	35,908	36,018	36,069	36,326	36,517	36,569	37,845
Whitehall	20,675	20,696	20,702	19,207	19,207	19,207	19,209	19,211	19,214	19,214
Worthington	15,059	15,067	15,069	14,137	14,137	14,146	14,146	14,148	14,162	14,216
Total Cities	1,047,293	1,058,062	1,093,803	1,109,833	1,124,835	1,139,113	1,159,528	1,175,338	1,185,869	1,193,815
Villages & Townships										
Brice	106	106	106	70	70	70	70	70	70	70
Canal Winchester	3,722	3,935	4,281	4,987	5,144	5,449	5,751	6,087	6,345	6,516
Commercial Point	-	-	-	-	-	-	-	811	824	-
Etna	-	-	-	-	-	-	-	7,162	7,419	7,444
Granville	-	-	-	-	-	-	-	4,001	4,033	4,033
Groveport	3,573	3,602	3,688	4,121	4,323	4,683	5,034	5,161	5,236	5,307
Harrisburg	357	357	357	332	332	332	332	332	332	332
Lockbourne	283	283	283	280	280	280	280	280	280	280
Marble Cliff	652	652	652	646	646	646	646	565	565	609
Minerva Park	1,683	1,683	1,683	1,288	1,288	1,288	1,288	1,288	1,288	1,288
Mount Sterling	-	-	-	1,865	1,867	1,867	1,867	1,867	1,867	1,867
New Albany	3,361	3,550	3,970	4,323	4,675	4,927	5,526	5,965	6,287	6,420
New Rome	116	116	116	60	-	60	-	-	-	-
Obetz	3,876	4,062	4,233	4,151	4,175	4,272	4,456	4,626	4,662	4,671
Plain City	-	-	-	-	-	-	-	-	-	3,798
Riverlea	515	515	515	499	499	499	499	499	499	499
S. Bloomfield	943	951	-	-	-	1,223	1,378	1,250	1,272	1,279
Shawnee Hills	-	-	-	-	-	-	-	-	-	595
Urbancrest	955	965	968	873	875	879	885	891	900	902
Valleyview	604	604	604	601	601	601	601	601	601	601
Violet Township	-	-	16,362	17,495	17,876	18,425	19,026	19,264	19,435	19,528
West Jefferson	4,535	4,546	4,546	4,331	4,401	4,401	4,416	4,438	4,479	4,522
Total Villages	25,281	25,927	42,364	45,922	47,052	49,902	52,055	65,158	66,394	70,561
Delaware Co. Balance	-	-	70,767	74,845	79,906	85,372	91,122	95,397	98,254	100,107
Fayette Co.	14,977	14,977	15,200	15,218	-	-	-	-	-	-
Unincorporated										
Franklin County	98,547	101,747	102,105	93,448	93,897	94,596	95,987	96,884	97,614	98,020
Pickaway County	-	-	-	-	-	-	-	-	-	37,309
Excluding Circleville	-	-	-	-	-	-	-	-	-	-
Ross County excluding	-	-	-	-	-	-	-	-	-	-
City of Chillicothe	48,884	49,585	50,635	52,600	53,199	53,199	53,653	53,903	53,984	53,984
Total County Balances	162,408	166,309	238,707	236,111	227,002	233,167	240,762	246,184	249,852	289,420
Total full member population	1,234,982	1,250,298	1,374,874	1,391,866	1,398,889	1,422,182	1,452,345	1,486,680	1,502,115	1,553,796
Full member per capita rate	\$ 0.355	\$ 0.370	\$ 0.385	\$ 0.400	\$ 0.415	\$ 0.415	\$ 0.415	\$ 0.430	\$ 0.445	\$ 0.445

MID-OHIO REGIONAL PLANNING COMMISSION

Estimated Population by Member Jurisdiction Used for Per Capita Membership Fees, Continued

December 31, 2008

Sources of Estimates

Population estimates, prepared by MORPC staff are used for assessing per capita fees to member jurisdictions. The estimates are prepared from several available sources of population data including U.S. Census figures and estimated occupied housing units, based on the number of residential electric meters, residential building permits issued, and individual vacancy rates for each municipality. The number of persons per household has been calculated in all years (other than census years) using regression analysis and is unique to each municipality. Details of the adjacent county population base for calculating transportation per capita fees and adjacent county transportation per capita fees are not included in this schedule.

Due to the considerable effort and cost associated with updating the population estimates, it has been the decision of management on limited occasions to use existing population estimates in succeeding years without revision.

Mid-Ohio Regional Planning Commission

Table 5

Benefits of Membership - Flow of Funds

FY 2008 (July 2007 to June 2008)

Members/Governmental Unit	Member Dues & Investments	Return Flow of Funds from Federal, State and Utility Companies				
		TOTAL	Transportation	Infrastructure	Housing	Energy Conservation*
Dues						
City of Bexley	\$5,898	\$1,297,517	\$0	\$1,294,313	\$0	\$3,204
City of Chillicothe	8,199	0	0	0	0	0
City of Circleville	0	0	0	0	0	0
City of Columbus	343,413	25,804,668	13,249,822	11,361,451	0	1,193,395
City of Delaware	14,248	151,894	151,894	0	0	0
City of Dublin	17,952	0	0	0	0	0
City of Gahanna	15,247	68,967	0	0	64,492	4,475
City of Grandview Heights	2,981	0	0	0	0	0
City of Grove City	14,948	988,736	0	968,407	2,216	18,113
City of Hilliard	12,812	7,740,210	6,141,743	1,595,152	3,315	0
City of London	3,486	0	0	0	0	0
City of Marysville	6,949	140,115	0	0	140,115	0
City of Pataskala	3,890	0	0	0	0	0
City of Pickerington	6,385	13,098,614	13,098,614	0	0	0
City of Reynoldsburg	15,919	41,558	0	0	23,129	18,429
City of Upper Arlington	15,118	0	0	0	0	0
City of Washington	5,335	0	0	0	0	0
City of Westerville	16,557	53,986	0	0	53,986	0
City of Whitehall	8,550	135,215	0	0	122,376	12,839
City of Worthington	6,314	3,226	0	0	0	3,226
The Village of Ashley	0	0	0	0	0	0
Village of Brice	800	0	0	0	0	0
Village of Canal Winchester	2,862	1,121,717	0	1,121,717	0	0
Village of Groveport	2,346	534,951	0	531,938	3,013	0
Village of Harrisburg	800	0	0	0	0	0
Village of Lockbourne	800	0	0	0	0	0
Village of Marble Cliff	800	0	0	0	0	0
Village of Minerva Park	800	0	0	0	0	0
Village of New Albany	2,828	1,869,650	0	1,869,650	0	0
Village of New Rome	0	0	0	0	0	0
Village of Obetz	2,077	0	0	0	0	0
Village of Powell	4,599	0	0	0	0	0
Village of Riverlea	800	7,050	0	0	0	7,050
Village of South Bloomfield	800	0	0	0	0	0
Village of Urbancrest	800	3,606	0	0	0	3,606
Village of Valleyview	800	0	0	0	0	0
Village of West Jefferson	1,664	0	0	0	0	0
Mt Sterling	800	0	0	0	0	0
Violet Township	4,727	0	0	0	0	0
Etna Township	1,803	0	0	0	0	0
Unincorporated Franklin County	43,529	9,085,031	0	8,708,310	271,743	104,978
Delaware County	44,136	0	0	0	0	0
Fairfield County	6,903	0	0	0	0	0
Fayette County	0	0	0	0	0	0
Licking County	1,505	1,206,418	1,206,418	0	0	0
Pickaway County	4,815	0	0	0	0	0
Ross County - other	19,974	222,587	0	0	222,587	0
Subtotal	\$675,969	\$63,575,716	\$33,848,491	\$27,450,938	\$906,972	\$1,369,315
Returns-not broken out by community						
Housing	na	\$0	na	na	na	na
COTA	na	19,341,523	19,341,523	na	na	na
Franklin County/Regional	na	82,549,324	82,549,324	0	na	na
Subtotal	\$0	\$101,890,847	\$101,890,847	\$0	\$0	na
Investments						
MORPC Transportation Planning	\$1,876,227	na	na	na	na	na
MORPC Franklin County CDBG/HOME Admin	169,283	na	na	na	na	na
MORPC Ross County Admin	64,481	na	na	na	na	na
MORPC Chillicothe County Admin	0	na	na	na	na	na
MORPC Marysville County Admin	44,846	na	na	na	na	na
MORPC Infrastructure Admin	191,926	na	na	na	na	na
MORPC Energy Conservation Admin	653,583	na	na	na	na	na
Subtotal	\$3,000,346	na	na	na	na	na
GRAND TOTAL	\$3,676,315	\$165,466,563	\$135,739,338	\$27,450,938	\$906,972	\$1,369,315

*Energy Conservation flow of funds by governmental unit are estimated.

This report is compiled from accounting and other financial data and should be considered a non-GAAP report.

MID-OHIO REGIONAL PLANNING COMMISSION
Principal Revenue Payers

	1999	% of full members' dues	Governmental Unit	2008	% of full members' dues
1. Columbus	\$ 249,006	56.1%	1. Columbus	\$ 344,108	51.1%
2. Unincorporated Franklin County	34,984	7.9%	2. Delaware Co. Balance	44,548	6.6%
3. Ross County excluding City of Chillicothe	17,354	3.9%	3. Unincorporated Franklin County	43,619	6.5%
4. Upper Arlington	12,752	2.9%	4. Ross County excluding City of Chillicothe	24,023	3.6%
5. Westerville	12,407	2.8%	5. Dublin	18,031	2.7%
6. Gahanna	12,249	2.8%	6. Westerville	16,841	2.5%
7. Reynoldsburg	11,170	2.5%	7. Reynoldsburg	15,925	2.4%
8. Grove City	8,921	2.0%	8. Gahanna	15,288	2.3%
9. Dublin	8,866	2.0%	9. Upper Arlington	15,140	2.2%
10. Delaware	8,429	1.9%	10. Grove City	14,996	2.2%

Source: MORPC Finance Department

Mid-Ohio Regional Planning Commission
MORPC Membership Population
Columbus M.S.A. Estimated Civilian Labor Force
and Annual Average Unemployment Rates
1999-2008

Year	MORPC Membership Population	(Labor Force in Thousands)			U.S. Unem- pment rate (3)
		Columbus M.S.A. (1)		Ohio	
		Labor force (2)	Unem- pment rate (3)	Labor force (2)	Unem- pment rate (3)
1999	1,234,982	829.9	2.6	5,749.0	4.3
2000	1,250,298	850.8	2.5	5,783.0	4.1
2001	1,374,874	875.5	2.8	5,857.0	4.3
2002	1,391,866	882.9	4.4	5,828.0	5.7
2003	1,398,889	890.6	4.8	5,877.0	5.9
2004	1,422,182	888.8	4.9	5,890.0	6.5
2005	1,452,345	923.0	5.3	5,900.4	5.9
2006	1,486,680	938.6	4.7	5,934.0	5.5
2007	1,502,117	958.1	4.7	5,976.5	5.6
2008	1,553,796	965.7	5.5	5,971.9	6.5

(1) The Columbus M.S.A. includes Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway and Union counties.

(2) Civilian labor force is the estimated number of persons 16 years of age and over, who are working or seeking work.

(3) The unemployment rate is equal to the estimate of unemployed persons divided by the estimated civilian labor force.

Source: Ohio Department of Job and Family Services, Bureau of Labor Market Information (preliminary data that is subject to change).

**Mid-Ohio Regional Planning Commission
Per Capita Income and Total Personal Income**

1999-2008

Year	Columbus M.S.A. (1)		Ohio	
	Per Capita Income	Total Personal Income (Millions)	Per Capita Income	Total Personal Income (Millions)
1999	28,851	46,047	26,859	304,464
2000	30,730	49,770	28,206	320,538
2001	31,370	51,524	28,581	325,623
2002	32,184	543,427	29,186	333,158
2003	32,570	54,708	26,831	341,146
2004	33,433	56,746	30,744	352,103
2005	34,777	59,651	31,939	366,017
2006	36,110	62,635	33,320	381,963
2007	NA	NA	34,874	399,897
2008	NA	NA	NA	NA

NA - Not Available

(1) The Columbus M.S.A. includes Delaware, Fairfield, Franklin, Licking, Madison Morrow, Pickaway and Union counties.

Source: Bureau of Labor Market Information, Ohio Department of Job & Family Services

MID-OHIO REGIONAL PLANNING COMMISSION
Principal Employers in the Greater Columbus Area

Name of Employer	Number of Employees (FTE's)		Name of Employer	Number of Employees (FTE's)	
	1999	% to Total		2008	% to Total
1. State of Ohio	27,755	N.A.	1. State of Ohio	24,492	2.58%
2. The Ohio State University/University Hospital	21,369	N.A.	2. The Ohio State University	21,107	2.23%
3. Federal Government/United States Postal Service	10,113	N.A.	3. JPMorgan Chase & Company	14,689	1.55%
4. Honda of America Manufacturing, Inc.	13,200	N.A.	4. Nationwide	11,441	1.21%
5. Banc One Corporation	10,900	N.A.	5. Federal Government/US Postal Service	10,762	1.14%
6. Columbus Public Schools	9,451	N.A.	6. OhioHealth	10,592	1.12%
7. Nationwide Insurance Companies	9,311	N.A.	7. Honda of America Manufacturing, Inc.	8,800	0.93%
8. City of Columbus	8,256	N.A.	8. Columbus City School District	8,276	0.87%
9. Grant/Riverside Methodist Hospital & Doctors Hospitals	7,492	N.A.	9. City of Columbus	8,227	0.87%
10. Limited Inc.	7,200	N.A.	10. Franklin County	6,310	0.67%

Source of FTE's and Rank: "Top 100 Largest Employers", Business First of Columbus. ©Copyright 2008, Business First of Columbus Inc. All rights reserved. Reprinted with permission.

Source of % to Total: City of Columbus, City Auditor. Percentage calculated using Columbus MSA labor force number of 965,700 (see table 7), less Morrow County labor force of 18,200, which is included in the Columbus MSA, but not considered in the Business First Largest Employers statistics.

Mid Ohio Regional Planning Commission
Area in Square Miles by Member Jurisdiction
 As of December 31,

Governmental Unit	1999 Area In Square Miles	2008 Area In Square Miles
Ross County less City of Chillicothe	679.50	681.85
Delaware County less Cities of Columbus, Delaware, Dublin, Powell and Westerville	444.00	426.07
Fayette County without Washington C.H.	400.20	397.84
The City of Columbus	210.90	222.81
Unincorporated Franklin County	217.90	187.03
The City of Dublin	21.50	25.64
The City of Delaware	15.00	18.84
The City of Grove City	13.40	16.38
The City of Hilliard	13.10	13.90
The City of Westerville	12.10	12.46
The City of Gahanna	11.20	11.52
The City of Reynoldsburg	8.80	11.92
The City of Upper Arlington	9.90	9.90
The City of Chillicothe	9.00	11.07
The Village of Groveport	8.40	9.32
The City of Pickerington	5.50	9.81
The Village of New Albany	8.20	11.59
The City of London	5.90	8.63
The City of Washington C.H.	7.10	8.76
The Village of Canal Winchester	5.80	7.11
The City of Worthington	6.40	6.39
The Village of Obetz	3.70	6.59
The City of Whitehall	5.30	5.34
The Village of South Bloomfield	0.80	5.30
The Village of West Jefferson	2.20	6.55
The Village of Powell	2.40	4.90
The City of Bexley	2.50	2.45
The Village of Lithopolis	0.00	2.56
The City of Grandview Heights	1.40	1.35
The Village of New Rome	0.02	-
The Village of Minerva Park	0.50	0.49
The Village of Urbancrest	0.30	0.49
The Village of Marble Cliff	0.30	0.31
The Village of Riverlea	0.20	0.20
The Village of Valley View	0.10	0.14
The Village of Brice	0.10	0.11
The Village of Lockbourne	0.10	0.11
The Village of Harrisburg	0.10	0.27
Total area in square miles	2,133.82	2,146.00

Source: County Engineers, MORPC and Member Communities

Mid-Ohio Regional Planning Commission
Employees by Function/Activity
Last Ten Years

Number of Employees as of December 31,

	1999	2000	2001	2002	2003	2004	2004	2004	2006	2007	2008
Transportation and RideSolutions	21.00	21.00	24.50	21.00	25.50	22.50	22.50	22.50	22.75	27.75	27.25
RideSolutions *	4.00	6.00	4.00	3.00	4.00	4.00	4.00	4.00	4.00	-	-
Center for Energy and Environment	-	-	-	-	-	-	-	-	-	-	15.50
Air Quality Awareness **	-	-	1.00	1.00	0.50	0.50	0.50	0.50	0.50	3.50	-
Residential Energy Conservation **	15.00	17.00	17.00	11.00	8.00	8.00	8.00	8.00	8.00	8.00	-
Housing	9.00	9.00	9.00	7.00	7.00	7.00	7.00	7.00	6.50	6.50	6.50
Planning, Member Services, Admin & Other	33.50	30.00	26.50	28.00	24.00	22.00	22.00	22.00	22.50	15.50	15.00
Total	82.50	83.00	82.00	71.00	69.00	64.00	64.00	64.00	64.25	61.25	64.25

* Moved to Transportation in 2007

** Moved to Center for Energy and Environment in 2008

Source: Mid-Ohio Regional Planning Commission, Human Resources & Administrative Services Department
 Method: 1.0 for each full-time, 0.50 for each part-time and 0.25 for each intern

Table 12

Mid-Ohio Regional Planning Commission
Operating Indicators
Last Five Years

	2004	2005	2006	2007	2008
	4	4	7	7	6
Federal transportation projects completed					
Total cost of federal transportation projects completed	\$3,069,006	\$2,650,512	\$3,431,575	\$5,207,675	\$3,136,419
Franklin County single family rehab units completed	11	16	22	21	21
Columbus Compact single family rehab units completed	10	4	11	11	9
Ross County CHIP:					
Single Family Rehab	5	0	4	0	8
Home Repair	12	19	1	10	8
Downpayment Assistance	3	0	0	7	0
Downpayment Assistance with Rehab	0	0	0	7	0
Homebuyer counseling	0	0	24	0	0
Marysville CHIP:					
Single Family Rehab	0	4	1	6	3
Home Repair	7	7	8	21	1
Down Payment Assistance	1	0	0	0	0
Down Payment Assistance with rehab	0	5	1	3	0
Fair housing training	0	0	17	0	0
Chillicothe:					
Single Family Rehab	0	11	0	0	N/A
Home Repair	8	6	0	0	N/A
Delaware County:					
Single Family Rehab	4	0	0	8	N/A
Other downpayment assistance payments	38	91	79	10	0
Mortgage Assistance					132
Homeownership clients counseled	239	352	253	221	705
Homeownership clients receiving one-on-one counseling	136	252	148	94	75
Homeownership class graduates	175	196	184	134	78
Default/Foreclosure Counseling	0	0	0	172	378
Financial Literacy	0	0	0	47	308
Housing Advisory Board Units	0	0	0	80	222
Home Weatherization Assistance Program home visits	120	120	71	154	217
Home Weatherization Assistance Program units weatherized	142	156	150	154	217
WarmChoice Program inspections	326	368	335	418	342
WarmChoice Program furnace repair/replacements	274	366	323	448	384

Source: Mid-Ohio Regional Planning Commission

Mid-Ohio Regional Planning Commission
Capital Assets
Last Five Years

Table 13

	2004	2005	2006	2007	2008
Transportation & Ridesolutions					
Computers	17	23	31	37	38
Vehicles	0	0	0	1	1
RideSolutions *					
Computers	3	4	4	-	-
Vehicles	1	1	1	-	-
Center for Energy & Environment					
Computers	-	-	-	-	23
Vehicles	-	-	-	-	7
Blower Door	-	-	-	-	8
Computer Analyzer	-	-	-	-	9
Infrared Cameras	-	-	-	-	3
Air Quality**					
Computers	1	1	1	1	-
Residential Energy Conservation**					
Computers	8	8	10	9	-
Vehicles	9	8	7	7	-
Blower Door	5	5	5	5	-
Computer Analyzer	8	8	9	9	-
Infrared Cameras	0	0	1	1	-
Housing					
Computers	7	7	7	7	14
XRF Spectrum Analyzer	1	1	1	1	1
All Other					
Building	1	1	1	0	0
Computers	109	117	78	48	28
Vehicles	2	2	2	2	1

* Moved to transportation in 2007

** Moved to Center for Energy & Environment in 2008

Source: Mid-Ohio Regional Planning Commission fixed asset records

Mid-Ohio Regional Planning Commission
Schedule of Insurance Coverage
December 31, 2008

Existing coverage - policies in force	Limits of liability
1. Type	Commercial Umbrella
Each Occurrence	\$5,000,000
General Aggregate	\$5,000,000
<i>Local Agent</i>	<i>Wichert Insurance</i>
<i>Insurance Company</i>	<i>Westfield Ins. Co.</i>
<i>Expires</i>	<i>Aspen Specialty-Public Officials</i> <i>November 1, 2007</i>
2. Type	Commercial General Liability
General Aggregate (Other than Products-Completed Operations)	\$2,000,000
Public Officials Liability (Aggregate Limit)	\$1,000,000
Products-Completed Operations Aggregate Limit	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage Limit (Any One Fire)	\$100,000
Deductible	\$0
3. Type	Employer's Liability
Employer's Liability Stop Gap	\$1,000,000
Deductible (None)	\$0
4. Type	Employee Benefits Liability
Aggregate Limit	\$2,000,000
Each Claim Limit	\$1,000,000
Deductible	\$1,000
5. Type	Crime Coverage
Limit of Liability	
Finance Director	\$100,000
Executive Director	\$100,000
Accounting Manager	\$50,000
Senior Accountant	\$50,000
Human Resources Manager	\$50,000
Public Employee Dishonesty	\$25,000
Deductible	\$500
6. Type	Miscellaneous
Information Technology Coverage	\$450,000
Camera Equipment	\$33,000
Valuable Papers and Records - Cost of Research	\$300,000
Fine Arts	\$0
Builder's Risk/Installation Coverage	\$0
Contractors' Equipment Coverage	\$42,957
Deductible	\$500
7. Type	Commercial Property Coverage
Personal Property - 285 East Main St.	\$850,000
Personal Property - 501 Industry Drive	\$24,000
Extra Expense - 285 East Main St. & 501 Industry Drive	\$250,000
Deductible	\$5,000

(continued)

Mid-Ohio Regional Planning Commission
Schedule of Insurance Coverage
December 31, 2008

Existing coverage - policies in force		Limits of liability
		Lead Abatement Coverage for HUD Grant
8.	Type	
	General Aggregate	
	General Aggregate Limit (Other than Products-Completed Operations)	\$5,000,000
	Products-Completed Operations Aggregate Limit	\$5,000,000
	Personal and Advertising Injury	\$5,000,000
	Each Occurrence	\$5,000,000
	Fire Damage Limit	\$50,000
	Medical Expense Limit	\$5,000
	Bodily Injury & Property Damage Deductible	\$5,000
	<i>Local Agent</i>	<i>Wichert Insurance</i>
	<i>Insurance Company</i>	<i>Bonding and Insurance Specialist</i>
	<i>Expires</i>	<i>September 8, 2007</i>
		Automobile
9.	Type	
	Limit of Liability	\$1,000,000
	Auto Medical Payments (Each Person)	\$5,000
	Deductible - Comprehensive Coverage	\$500
	Deductible - Collision Coverage	\$500
	<i>Local Agent</i>	<i>Wichert Insurance</i>
	<i>Insurance Company</i>	<i>Westfield Ins. Co.</i>
	<i>Expires</i>	<i>November 1, 2007</i>
		Building and Contents
10.	Type	
	Limit of Liability	
	Building	\$3,500,000
	Deductible	\$5,000
	<i>Local Agent</i>	<i>Wichert Insurance</i>
	<i>Insurance Company</i>	<i>Westfield Ins. Co.</i>
	<i>Expires</i>	<i>November 1, 2007</i>
		HOPE 3 Home Insurance
11.	Type	
	<i>Properties without a building are covered under MORPC's general liability coverage</i>	
		Architects & Engineers Errors & Omissions Insurance
12.	Type	
	Each Claim	\$1,000,000
	Annual Aggregate	\$1,000,000
	Deductible	\$5,000
	<i>Local Agent</i>	<i>Wichert Insurance</i>
	<i>Insurance Company</i>	<i>Landmark America</i>
	<i>Expires</i>	<i>September 25, 2007</i>
		Contractor's Pollution Liability
13.	Type	
	Aggregate Limit	\$500,000
	Each Claim Limit	\$500,000
	Deductible	\$2,500
	<i>Local Agent</i>	<i>BC Environmental Insurance Brokers</i>
	<i>Insurance Company</i>	<i>American Safety Insurance</i>
	<i>Expires</i>	<i>October 30, 2007</i>

MORPC does not engage in risk financing activities where it retains the risk (i.e., self-insurance).

Source: MORPC insurance policies.

IV. SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S 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 and Members of the
Mid-Ohio Regional Planning Commission
111 Liberty Street, Suite 100
Columbus, Ohio 43215

We have audited the financial statements of the Mid-Ohio Regional Planning Commission, Franklin County, Ohio (the "Commission") as of and for the year ended December 31, 2008 and have issued our report thereon dated May 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Commission'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 Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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 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*.

We noted certain other matters that we reported to management of the Commission in a separate letter dated May 21, 2009.

This letter is intended for the information and use of the Board, management, and Members of the Mid-Ohio Regional Planning Commission, its federal awarding agencies, state funding agencies, pass-through entities, Ohio Auditor of State, and is not intended to be, and should not be, used by anyone other than these specified parties.



Kennedy Cottrell Richards LLC
May 21, 2009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR
FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

To the Board and Members of the
Mid-Ohio Regional Planning Commission
111 Liberty Street, Suite 100
Columbus, Ohio 43215

Compliance

We have audited the compliance of the Mid-Ohio Regional Planning Commission (the 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 its major federal programs for the year ended December 31, 2008. The 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 its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the 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 the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2008.

Internal Control over Compliance

The Commission's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could directly and materially affect 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

Mid-Ohio Regional Planning Commission
Independent Auditor's Report on Compliance with Requirements
Applicable to Major Federal Programs and Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 2

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Commission's internal control that might be a significant deficiency or material weakness as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 combination of control deficiencies, that adversely affects the Commission's ability to administer a federal program such that there is more than a remote likelihood that the Commission's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as finding 2008-01 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Commission's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements. We did not consider the deficiency described in the accompanying schedule of findings to be a material weakness.

The Commission's response to the finding we identified in our audit is described in the accompanying schedule of findings. We did not audit the Commission's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the Board, management, and Members of the Mid-Ohio Regional Planning Commission, its federal awarding agencies, state funding agencies, pass-through entities, and the Ohio Auditor of State. It is not intended for anyone other than these specified parties.



Kennedy Cottrell Richards LLC
May 21, 2009

MID-OHIO REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2008

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2008	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2008
Federal Highway Administration:							
Passed through Ohio Department of Transportation:							
FY 2007 Rideshare Program	20.205	466081	585,000	68,410	68,410	0	0
FY 2008 Rideshare Program	20.205	466212	620,000	45,752	495,976	574,248	124,024
FY 2009 Rideshare Program	20.205	466342	820,000	0	3,226	3,226	3,226
Supplemental Planning 2007	20.205	466079	250,000	43,222	61,007	17,785	0
Supplemental Planning 2008	20.205	466210	250,000	24,514	195,746	207,644	36,412
Supplemental Planning 2009	20.205	466334	340,000	0	37,772	37,772	37,772
Air Quality Awareness FY 2008	20.205	466209	215,000	34,247	168,579	134,332	0
Air Quality Awareness FY 2009	20.205	466333	675,000	0	45,963	97,422	51,459
Regional Connections Implementation	20.205	466211	480,000	20,233	71,427	74,292	23,098
Coordinated Traveler Information	20.205		250,000	0	2,915	5,153	2,238
On Board Ridership Grant	20.205		400,000	0	146,120	328,170	182,050
Interagency Safety Partner	20.205	466224	7,500	0	7,500	7,500	0
FY 2008 Consolidated Planning Grant	20.205	134331	1,579,051	199,504	977,236	777,732	0
FY 2009 Consolidated Planning Grant	20.205	134366	1,660,618	0	407,235	767,611	360,376
Total Ohio Department of Transportation				435,882	2,648,114	3,032,887	820,655
Federal Highway Administration:							
Passed through Central Ohio Transit Authority							
Location Based Response System	20.205		35,000	0	7,521	9,867	2,346
				0	7,521	9,867	2,346
Federal Highway Administration:							
Passed through Ohio Department of Natural Resources							
ODNR- Recreational Trails Program	20.219	RT06(150)	30,500	107	0	29,146	29,253
				107	0	29,146	29,253
Total Federal Highway Administration - CFDA No. 20.205 & CFDA No. 20.219				435,939	2,655,635	3,071,900	852,254
Federal Transit Administration:							
Passed through Central Ohio Transit Authority							
Franklin County Coordinated Plan	20.516	N/A	120,000	38,324	104,857	66,533	0
Total Federal Transit Administration - CFDA No. 20.516				38,324	104,857	66,533	0
U.S. Department of Energy:							
Passed Through Ohio Department of Development:							
Weatherization Assistance FY 2007 #140	81.042	07-140	325,260	23,682	47,127	23,445	0
Weatherization Assistance FY 2008 #140	81.042	08-140	349,999	0	214,780	281,151 *	66,371
Total Ohio Department of Development				23,682	261,907	304,596	66,371
Total U.S. Department of Energy - CFDA No. 81.042				23,682	261,907	304,596	66,371

MID-OHIO REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2008

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2008	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2008
U.S. Department of Health and Human Services:							
Passed Through Ohio Department of Development:							
Weatherization Assistance FY 2007 #140	93.568	07-140	348,896	61,995	145,562	83,567	0
Weatherization Assistance FY 2008 #140	93.568	08-140	445,472	0	147,858	239,518 **	91,660
Weatherization HEACH Program	93.568	07HR302	67,500	757	0	0	0
				<u>62,752</u>	<u>294,177</u>	<u>323,085</u>	<u>91,660</u>
Temporary Assistance for Needy Families (TANF)							
Passed Through Franklin County Job & Family Services							
Foreclosure Diversion Counseling	93.558		54,000	0	47,925	52,069	4,144
Total CFDA No. 93.558				0	47,925	52,069	4,144
Total U.S. Department of Health and Human Services - CFDA No. 93.568 and CFDA No. 93.558				<u>62,752</u>	<u>942,102</u>	<u>375,154</u>	<u>95,804</u>
U.S. Department of Housing and Urban Development:							
HOPE 3 Sales Proceeds							
Homebuyer Counseling 2006	14.240	N/A	-	84,743	13,762	49,710	120,691
Homebuyer Counseling 2007	14.240	HC06-0398115	30,000	1,316	0	0	0
Homebuyer Counseling 2008	14.240	HC07-0398061	33,000	2,776	33,000	30,224	0
Homebuyer Counseling 2008	14.240	HC08-0398008	50,000	0	0	1,743	1,743
Total U.S. Department of Housing & Urban Development CFDA No. 14.240				<u>88,835</u>	<u>46,078</u>	<u>81,677</u>	<u>122,434</u>
Passed through the City of Columbus:							
Community Development Block Grant	14.218	DE012151	17,600	1,092	9,711	8,619	0
Columbus Homebuyer Counseling 2007	14.218	EL008522	12,140	0	3,299	4,466	1,167
Columbus Homebuyer Counseling 2008	14.218	ED0032803	10,000	2,599	4,664	2,065	0
FY 2007 Columbus Hsg Advisory Bd				3,691	17,674	15,150	1,167
Total City of Columbus- CFDA No. 14.218							
Passed through Franklin County:							
Community Development Block Grant							
FY 2007 - Housing Advisory Board	14.218	N/A	10,000	2,185	6,995	4,810	0
FY 2008 - Housing Advisory Board	14.218	N/A	10,000	0	2,763	5,030	2,267
Total Franklin County- CFDA No. 14.218				<u>2,185</u>	<u>9,758</u>	<u>9,840</u>	<u>2,267</u>
Passed through Franklin County:							
HOME Program							
FY 2007 - Single Family Rehab	14.239	N/A	670,000	62,354	506,236	578,941	135,059
FY 2008 - Single Family Rehab	14.239	N/A	700,000	0	0	58,886	58,886
Total Franklin County- CFDA No. 14.239				<u>62,354</u>	<u>506,236</u>	<u>637,827</u>	<u>193,945</u>
Total U.S. Department of Housing & Urban Development - CFDA No. 14.240, CFDA No. 14.218, and CFDA No. 14.239				<u>157,065</u>	<u>581,746</u>	<u>744,494</u>	<u>319,813</u>

MID-CHIO REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2008

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2008	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2008
Empowerment Zone Block Grant							
Passed through the Columbus Compact Corporation							
Columbus Compact Rehab Project 2005	14.244	NL-2005-1	300,000	27,603	91,996	91,579	27,186
Total Columbus Compact- CFDA No. 14.244				<u>27,603</u>	<u>91,996</u>	<u>91,579</u>	<u>27,186</u>
US Environmental Protection Agency							
Diesel Fleet Initiative	66.034	XA-00E16021-0	150,000	3,145	37,439	74,014	39,720
Total U.S. Environmental Protection Agency- CFDA No. 66.034				<u>3,145</u>	<u>37,439</u>	<u>74,014</u>	<u>39,720</u>
US Department Environmental Protection Agency							
Pass through Division of Soil & Conservation							
Ohio Watershed Coordinator	66.460	N/A	123,500	7,579	36,685	36,580	7,474
Total U.S. Department Environmental Protection Agency- CFDA No. 66.460				<u>7,579</u>	<u>36,685</u>	<u>36,580</u>	<u>7,474</u>
US Department of Treasury							
Neighborhood Reinvestment Corporation							
(dba NeighborWorks America)							
Passed through Ohio Housing Finance Agency							
National Foreclosure Mitigation Counseling	21.000***		125,714	0	62,858	14,615	(48,243)
Total U.S. Department of Treasury- CFDA No. 21.000				<u>0</u>	<u>62,858</u>	<u>14,615</u>	<u>(48,243)</u>
Total Federal Financial Assistance Program				<u>\$ 756,139</u>	<u>\$ 4,175,225</u>	<u>\$ 4,779,465</u>	<u>\$ 1,360,379</u>

* Includes \$2,537 of contributed capital expenditures relating to the purchase of equipment.

** Includes \$7,616 of contributed capital expenditures relating to the purchase of equipment

*** An official CFDA number is not available for this program. Neighbor Works America recommends the number above for tracking purposes

MID-OHIO REGIONAL PLANNING COMMISSION

NOTES TO SCHEDULE OF FEDERAL AWARDS AS OF DECEMBER 31, 2008

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial award programs of MORPC. MORPC's reporting is defined in Note 1 to MORPC's financial statements.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to MORPC's financial statements.

3. RELATIONSHIP OF FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts in the related federal financial statements.

**MID-OHIO REGIONAL PLANNING COMMISSION
FRANKLIN COUNTY**

SCHEDULE OF FINDINGS

DECEMBER 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	Yes
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a) of Circular A-133?	Yes
(d)(1)(vii)	Major Programs (list):	14.239 – HOME Investment Partnerships Program 81.042 – Weatherization Assistance for Low-Income Persons 93.568 – Low-Income Home Energy Assistance
(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

None.

**MID-OHIO REGIONAL PLANNING COMMISSION
FRANKLIN COUNTY**

SCHEDULE OF FINDINGS

DECEMBER 31, 2008

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2008-01
CFDA Title and Number	Weatherization Assistance for Low-Income Persons, #81.042 Low-Income Home Energy Assistance, #93.568
Federal Award Number/Year	07-140- 2007 08-140-2008 07HR302-2007
Federal Agency	U.S. Department of Energy U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Development

SIGNIFICANT DEFICIENCY – ELIGIBILITY

Proper and adequate documentation must be maintained for eligibility determinations to document that applicable eligibility requirements were met for recipients to receive services with federal program dollars under OMB Circular A-133. These eligibility determinations should be documented, include supporting documentation, and supervisory review for proper eligibility determinations.

During review of the Weatherization Assistance for Low-Income Persons and Low-Income Home Energy Assistance federal programs, we noted there does not appear to be consistent documentation of eligibility determinations and a lack of controls over the eligibility determination process. As a compensating control, the Quality Assurance Supervisor completes an “Energy Conservation Program Case Paperwork Checklist” after the application process prior to beginning any weatherization services. This checklist is only utilized to verify all required documents have been received and not to verify eligibility determinations were made properly; therefore, this compensating control does not appear to be adequate to mitigate the significance of this deficiency. We did not note any errors during our substantive or compliance testing over individuals served by these programs where they were determined not to be eligible to receive the services that were provided.

We recommend management implement control procedures to ensure eligibility determinations are completed, adequately supported, and properly reviewed by management.

Commission’s Response: Management has implemented a procedure to ensure eligibility determinations are completed, adequately supported and properly reviewed by management, to document that applicable eligibility requirements are met for recipients to receive services with federal program funds. The “Energy Conservation Program Case Paperwork Checklist” has been modified to include a signature by management indicating that eligibility documents have been reviewed and eligibility requirements have been met.



Mid-Ohio Regional Planning Commission

www.morpc.org
614.228.2663



Mary Taylor, CPA
Auditor of State

MID-OHIO REGIONAL PLANNING COMMISSION

FRANKLIN 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
JULY 2, 2009**