

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR
FISCAL YEAR ENDED DECEMBER 31, 2003**

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MORPC

Mid-Ohio Regional Planning Commission
285 East Main Street
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**Auditor of State
Betty Montgomery**

To the Members
Mid-Ohio Regional Planning Commission
285 E. Main Street
Columbus, Ohio 43215

We have reviewed the Independent Auditor's Report of the Mid-Ohio Regional Planning Commission, Franklin County, prepared by Deloitte & Touche LLP, for the audit period January 1, 2003 to December 31, 2003. 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.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 19, 2004

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MID-OHIO REGIONAL PLANNING COMMISSION

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I. INTRODUCTORY SECTION



Mid-Ohio Regional Planning Commission

An association of local governments providing planning, programs and services for the region.

June 4, 2004

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

We are pleased to present the Comprehensive Annual Financial Report of the Mid-Ohio Regional Planning Commission (MORPC) for the year ended December 31, 2003. 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 Comprehensive Annual Financial Report is organized in four major sections as follows:

Richard L. (Ike) Stage
Chair

Virginia Barney
Vice Chair

Michael Cope
Secretary

Bill Habig
Executive Director

- I. The Introduction - transmittal letter and information about MORPC's organization and management and the reporting entity.
- II. The Financial Section - MORPC's financial statements and the report of independent accountants.
- III. The Statistical Section - comparative financial information, demographic information and other statistical information.
- IV. The Single Audit Act Section - schedule of expenditures of federal awards and the independent accountant's reports on compliance with laws and regulations and internal accounting and administrative controls.

The report will be available through MORPC's website www.morpc.org.

The Mid-Ohio Regional Planning Commission 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 whose membership includes 41 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 metropolitan area.

The member governments appoint representatives (currently 74) 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

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tax under Section 501(c)(3) of the Internal Revenue Code. Employees of MORPC are members of the Ohio Public Employee Retirement System.

In accordance with Statement of Governmental Accounting Standards 14, *The Financial Reporting Entity*, 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 74 seats on MORPC's governing board.
- MORPC is not fiscally dependent on Franklin County.
- MORPC provides services to members outside of Franklin County.

There are no agencies or organizations, which could be considered potential component units of MORPC.

MORPC's mission is summarized as follows:

To enhance the quality of life and competitive advantages of the region by working through local governments and other constituents. The Commission's many purposes are to:

1. *Increase and enhance regional partnerships with public and private organizations that affect the quality of life for central Ohio and encourage community participation;*
2. *Administer and facilitate availability of regional environmental infrastructure program funding to the full advantage of MORPC's members;*
3. *Improve the general and economic quality of life of central Ohio residents by enhancing the mobility of people and goods throughout the region;*
4. *Encourage resource conservation through protection and preservation of our natural environment and natural resources;*
5. *Develop programs and strategies to improve employee morale and create effective management practices;*
6. *Improve the quality of life for member communities by improving the housing conditions for residents through housing and weatherization services; encouraging homeownership opportunities; and contributing to the expansion of affordable housing in central Ohio;*
7. *Promote and support Livability/Sustainability measures as a means of addressing regional growth challenges.*

MORPC plays an important role in promoting cooperation and building unity among its constituents, serving as a forum for state and local governments on regional issues, and helping to advocate local governments' interests and needs on the federal and state levels. MORPC continues to recognize and encourage public/private cooperation on a regional basis, and works to build consensus, sound planning practices and realistic decision-making for the future.

The work program is fully documented in formally adopted semiannual performance/goals/ budget reports and monthly goals reports.

MAJOR INITIATIVES, OPPORTUNITIES AND CHALLENGES

The Mid-Ohio Regional Planning Commission is always challenged in its mission to serve as a voluntary regional forum, but has also been blessed with numerous opportunities and strong community participation. MORPC continues taking the initiative to convene the community around the regional issues of the day. Based on demographic projections our region will grow by 573,000 people by 2030, providing many new opportunities and challenges.

Fostering Regional Collaboration

Regional Connections

The Seven County Regional Growth Strategy entered into its second year and adopted a new project name, Regional Connections. A 70-member Steering Committee was formed that represents a broad range of interests from the seven central Ohio counties of Delaware, Fairfield, Franklin, Licking, Madison, Pickaway and Union counties. Committee membership includes elected officials, business and other leaders representing economic development, environmental and social equity interests. Local business leader and developer Jack Lucks, along with Columbus City Councilwoman Patsy Thomas, chair the Steering Committee. A project website, www.regionalconnections.org, was also created to connect the community with the on-going project activities and events. Since November of 2003, meetings have been held in each of the seven counties with close to one thousand people participating.

MORPC's Annual Meeting

Over 770 community business leaders attended MORPC's 2003 Annual Meeting. Guests listened to a presentation of the goals and opportunities of the newly created Columbus Regional Airport Authority by Elaine Roberts, the Authority's President and CEO.

Regional Development Forum

MORPC and the Greater Columbus Chamber of Commerce hosted the 2003 Regional Development Forum on November 19, 2003, providing an opportunity for Greater Columbus business and community leaders to learn from the successes of other communities throughout the country. Keynote speaker, the Honorable Kay Barnes, Mayor of Kansas City, Missouri shared her city's many downtown successes with the 350 guests attending.

Northwest Traffic Study

MORPC released the executive summary and interim report of the Northwest Franklin County Traffic Study, addressing traffic issues and possible revenue sources to fund road improvements in the Hayden Run area. In the next 30 years the area is expected to grow by more than 43,000 residents and double the number of jobs from 75,000 to 150,000. Development proposals in the Hayden Run area sparked concern about the regional long-term mobility and brought together the Cities of Columbus, Dublin and Hilliard, Franklin County, and Washington Township to fund the study. Madison County also participated in the study.

Central Ohio Regional Forum

The Central Ohio Regional Forum (CORF) met quarterly in 2003 to discuss and listen to presentations about current issues impacting the region. Over the year, meeting topics focused on the newly created Columbus Regional Airport Authority Program, MORPC's Regional Air Quality Project, regional transit, and the Regional Connections Project.

MOAG & MOFA: Sharing Skills and Expertise

MORPC continued to provide professional development and networking opportunities for local government finance officers and human resource administrators through the Mid-Ohio Finance Administrators (MOFA) and the Mid-Ohio Administrators Group (MOAG). Programs covered State of Ohio Local Government Fund, employee military leave, billing citizens for emergency medical services, Ohio Public Employees' System (OPERS) early retirement incentive program, maintaining public records, and reducing fringe benefits costs.

Increasing Mobility

Linden Area Traffic Management Plan

The Linden Area Traffic Management Plan, a 10-month study sponsored by the city of Columbus and coordinated by MORPC, was focused on identifying the impacts of traffic on the livability and pedestrian safety in the Linden neighborhood and developing cost effective traffic calming measures for the area. The study is also investigating the role that traffic operations can play in economic revitalization of the area.

The most critical piece of this project was continuous public input and involvement. A series of public meetings were held to identify problems, gather information, and solicit feedback about the plan and issues being studied. During walking field audits of the neighborhoods, Dan Burden of Walkable Communities, who is a national expert in the field of traffic calming and pedestrian issues, assisted the study team, residents and public agencies with identifying areas of concern.

RideSolutions

As a result of RideSolutions' leadership with the U.S. Environmental Protection Agency's (EPA) Best Workplaces for Commuters initiative, MORPC's rideshare program was featured as one of U.S. EPA's best practices. RideSolutions will be working with the U.S. EPA to develop a toolkit explaining its successful Guaranteed Ride Home (GRH) Program to share with other rideshare programs across the nation. The GRH Program provides a sense of security to those who carpool, vanpool or ride transit to work by offering a taxi ride home in the event of an emergency.

RideSolutions also expanded its outreach efforts by partnering with MORPC's Air Quality Program in a combined advertising campaign this past summer and fall. Due to the campaign, RideSolutions received nearly 1,500 new requests for rideshare information. In 2003, 570 commuters utilized the RideSolutions vanpool program rather than driving alone to work. In the program's 11-county service area, 10,482 commuters are registered with RideSolutions and have received assistance with carpooling, vanpooling, biking and using transit to get to work.

Columbus Downtown Circulation Study

As downtown Columbus is the focus of numerous proposed projects, development activities and studies, the city of Columbus initiated the Downtown Columbus Circulation Study to understand the impacts of these efforts on the mobility in downtown. A goal of the study is to make the downtown more livable and friendly to pedestrians and downtown residents while providing appropriate mobility and safety conditions.

The consultant team, lead by MORPC, will examine the transportation system and current downtown plans and projects in order to develop alternatives to the existing pedestrian environment, transit operations and traffic patterns. Some possible recommendations may include converting one-way streets into two-way operation or providing bicycle parking and bikeway connections.

COTA North Corridor Light Rail Project

There was much progress achieved with COTA's North Corridor Light Rail Transit Project, the proposed first of eight rail lines that COTA is planning as part of its comprehensive long-term transportation plan. The plan also includes expanded bus and paratransit service, 17 transit centers and neighborhood circulators. The proposed rail line will run from downtown Columbus north to the Franklin County line. The highly congested corridor has the highest population density and approximately a third of the region's total jobs.

COTA, in cooperation with MORPC, undertook environmental and preliminary engineering studies to look at alignment, stations, and the impact on neighborhoods and environment. The next steps for the project are final design and eventually construction.

Extensive community outreach efforts were also undertaken. COTA and MORPC staff met with community groups and neighborhoods to talk about the North Corridor Light Rail Transit Project plans and to gather input and feedback. During the July 4th weekend last summer, a rail car demo was on view and an educational campaign took place to help the community understand and experience what light rail is really about.

In 2003, The Federal Transit Administration (FTA) awarded COTA its third highly coveted "recommended" rating for the project. Columbus was one of only ten transit projects in the nation awarded a "recommended" rating this year. This recommended rating allows the project to be eligible for 50 percent federal funding.

I-70/I-71 South Innerbelt Study

MORPC participated on the advisory committee of Ohio Department of Transportation's (ODOT) I-70/I-71 South Innerbelt Corridor Study, a two-year study aimed at developing solutions to the problems of congestion, traffic delays and safety hazards on the I-70/I-71 split in downtown Columbus.

Columbus Signal System Assessment and Strategic Plan Development

MORPC partnered with the City of Columbus, COTA, and Franklin County to perform a complete assessment of the Columbus signal system, and the overlap of the signal system along jurisdictional boundaries. The need for the assessment was primarily due to the current signal system not possessing an open architecture. A secondary factor was the need to review the technology that the Columbus systems used, and evaluate whether or not it should be upgraded.

A goal of regional signal stakeholders was to establish a system that could provide major transportation corridors with cross jurisdictional signal coordination, signal preemption for safety vehicles, signal priority for transit vehicles (including light rail transit), and better coordination with the Columbus Metropolitan Freeway Management System. The project includes an assessment of the current signal system and user perspectives. In addition, an evaluation of emerging standards and new technologies will be completed. The final report will include a strategic implementation plan and suggestions for future upgrades and expansion of the central system to minimize future expenditures and maximize the benefit to other regional stakeholders, while bringing the city computerized signal system into the 21st century.

Freight Planning Peer-To-Peer Exchange

MORPC was awarded a grant by the Transportation Planning Capacity Building (TPCB) Program, sponsored by the Federal Highway Administration (FHWA) and the Federal Transit Authority (FTA) for the purpose of conducting a best practices exchange with a peer metropolitan planning organization (MPO) that has expertise in the area of freight planning. The two day peer-to-peer exchange was held in Philadelphia, Pennsylvania with the Delaware Valley Regional Planning Commission (DVRPC). In attendance were central Ohio representatives from FHWA, MORPC, Ohio Department of Transportation, Ohio Rail Development Commission, Greater Columbus Chamber of Commerce and the Village of Obetz.

The objective of the peer exchange was to discuss the DVRPC experience with its 10-year standing Goods Movement Task Force, the freight transportation improvement planning process, and the coordination between public and private sector agencies within the Philadelphia area. During the trip, the central Ohio group also toured warehousing, distribution and intermodal facilities within the Philadelphia region. Follow-up from the exchange is on-going. MORPC continues to meet with the Greater Columbus Chamber of Commerce to strategize on public-private partnership efforts, remains involved in intermodal yard developments underway by the Columbus Regional Airport Authority, and keeps in contact with DVRPC staff for idea collaboration.

Addressing Growth

Helping Communities Plan for Growth

MORPC assisted both Delaware County and the City of Washington in their efforts to plan and prepare for growth in their communities. As the fastest growing county in the state of Ohio, Delaware County is preparing a plan for future sewer service areas to address the incredible growth taking place today and expected in the future. MORPC staff acted as part of the team creating the preliminary report for the Delaware Sewer master planning process. Staff organized the public participation element, assisted in consultant selection, and throughout the editing process. The final portion of the plan is being completed by the consultants.

MORPC planning staff also assisted the City of Washington in updating selected portions of their comprehensive plan. Primary emphasis was placed on economic development and future land use areas. The City of Washington, located in Fayette County, is home to the Washington Industrial Park, with several companies and over 300 acres of fully serviced land ready to be developed. The City of Washington is not only dedicated to creating industrial opportunity, but also takes great pride in maintaining its rural character and preserving its downtown business area.

I-270/ US 33 Study

MORPC began conducting a major investment study to analyze and develop long-term mobility solutions for the I-270 West Outerbelt area, including the US 33 freeway west of I-270 to US 42. Freeway interchanges serving this area are being heavily impacted by the population and employment growth in the area, which in turn has increased traffic. Increased traffic is also causing congestion on the freeway and surrounding street systems. Study solutions will primarily be developed to improve the freeway and interchange operations. The solutions could range from policy strategies for land use, activities to negate the need to travel, transit enhancements, collector and arterial improvements, and freeway and interchange improvements.

SR 317 Access Management Study

The goal of the SR 317 Access Management Study was to develop a plan to help maintain the safety and traffic-carrying capacity of SR 317 and the area roadway system as southern Franklin County grows and traffic increases. SR 317 is an important east/west connector, directly serving Rickenbacker Airport and

providing links to US 23, Alum Creek Drive and US 33, among other routes. Franklin County Engineer, Rickenbacker, Columbus and Groveport funded the study.

As part of the study, MORPC reviewed existing and future traffic levels, land use and roadway improvements needed in the corridor. MORPC formed a study oversight committee with membership from local jurisdictions, and hosted two public open houses so that the community could review the information, give comments, and meet with MORPC staff working on the project. Completion of the study is expected in early 2004.

Ohio House Subcommittee on Growth and Land Use

State Representative Larry Wolpert (R-Hilliard), chair of the County and Township Committee, created the Ohio House Subcommittee on Growth and Land Use to look at the state's role in growth and development issues. Through a grant from the George Gund Foundation, MORPC staff assisted the Subcommittee by sharing research and providing best practices from across the country. MORPC also helped prepare information for hearings in Cleveland and at the statehouse focusing on urban redevelopment, and bringing in leading scholars on the issues of land use and metropolitan change.

Preserving Our Environment

Greenways Educational Video

The Greenways Program produced the educational video, "Greenways of Life in Central Ohio" through funding by the Ohio Environmental Education Fund (OEEF). The video covers non-point source pollution, land-use issues, green infrastructure, and volunteer involvement in watershed issues. The video is available on the MORPC website at www.morpc.org or by calling 614-233-4124 to request a copy of the video.

Erosion and Sediment Control Trade Show

The Greenways Program partnered with Metro Parks and Alpine Stormwater Management for an Erosion and Sediment Control tradeshow and workshop at Blendon Woods Metro Park in May 2003. Representatives from construction companies, sediment control companies and watershed groups participated in the event.

Addressing Particle Pollution

MORPC expanded its summertime ozone forecasting and outreach efforts into a year-round Air Quality Program to provide education, forecasting and programming for both ozone and particle pollution. MORPC leads the state in this endeavor as the first program in Ohio forecasting both pollutants year-round, offering year-round Air Quality Alerts when either pollutant jeopardizes the community's health, and working to increase public understanding of our air quality problems.

Air Quality Study

MORPC conducted a six-month air-quality study to gather the following information: local sources of ozone and particle pollution; how central Ohio exceeds the national standards for ozone and particle pollution levels; and how to most effectively control these pollutants effects on the region's air quality. From the study, it was determined that ozone in the urbanized portions of the eight-county region would be most effectively controlled by using reformulated gasoline, implementing an enhanced inspection and maintenance program for vehicles, and limiting the amount of volatile organic compounds in paints, varnishes and other architectural coatings.

Providing Funding for Greenspace

MORPC provided technical assistance to the Franklin County Natural Resources Assistance Council in reviewing applications and approving over \$3 million in funding for 10 local Greenspace preservation projects. Funding for the projects came from the state's Clean Ohio Fund administered by the Ohio Public Works Commission. The state created the Clean Ohio Fund to preserve green space and farmland and redevelop polluted properties.

Central Ohio: An Energy Smart Community

In January 2002, central Ohio responded to a call from Governor Bob Taft for communities across the state to collaboratively increase energy efficiency. Because of the strong relationship between energy and all of society's activities, especially transportation, MORPC was successful in pulling together a collection of partners in central Ohio to become the Capital Region Energy Smart Community. Together these partners form a partnership unique in Ohio and representative of a variety of energy activities.

Throughout 2003, MORPC continued to coordinate the partnership and helped raise awareness of its activities through its website, www.capitalregion.org, and by organizing a green building design charrette. The charrette (a fast-paced, problem-solving event) featured five teams developing potential redevelopment ideas for two Columbus public elementary schools. The teams created innovative "green" energy saving designs that were presented to the Columbus Public Schools for consideration, as the school district moves forward with its facilities construction and renovation program. A video, *Building for Living*, was produced featuring the charrette and presenting energy efficiency and green building issues to the general public. Copies of the video are available from MORPC by calling 614-233-4166.

Improving Our Quality of Life

Improving Homes in the Region

MORPC assisted several local governments and organizations with providing services that improve homes and increase homeownership in the region. MORPC prepared grant proposals for the cities of Chillicothe and Marysville that resulted in the state of Ohio's Community Housing Partnership (CHIP) awarding grants worth \$500,000 to each community to rehabilitate homes, remove lead-based paint hazards, provide minor home repair, and offer homeownership counseling and down payment assistance. MORPC will continue to work with both cities to administer the grants and provide services.

On behalf of Delaware, Franklin and Ross counties, MORPC administered housing rehabilitation programs to benefit low income residents in these areas. In addition, MORPC and the Columbus Compact Corporation partnered to operate the Columbus Empowerment Zone Rehabilitation Program. This program provides rehabilitation assistance to homeowners residing within the Columbus Empowerment Zone by offering to replace gutters and windows, correcting any health or safety issues, and providing lead paint control.

Homeownership Education & Down Payment Assistance

A total of 197 people graduated from MORPC's Homeownership Program's Lifeskills Classes, which is almost double the program's goal of 100 graduates. In addition, the staff increased the number of one-on-one counseling sessions conducted this year; 80 people received this in-depth financial counseling compared to 47 people in 2002. These sessions are personalized to help individuals understand their credit reports and how past credit history affects their ability to secure a mortgage for homeownership. Staff also works with each individual to develop a budget based on net income and with the necessary tools to repair credit problems.

MORPC also provided 25 families with down payment assistance that enabled them to become first time homebuyers. Fourteen of these families also received rehabilitation assistance from MORPC to make significant improvements to their new homes.

The program received funding from the Federal Home Loan Bank of Cincinnati, Ohio Department of Development, and U.S. Department of Housing and Urban Development (HUD). Additional funding came from Columbus Foundation, Fifth Third Bank, Huntington National Bank, and National City Bank.

Weatherization Services

MORPC continued to provide excellent weatherization services to low-income homeowners with funding from the State of Ohio Home Weatherization Assistance Program (HWAP) and Columbia Gas Warm Choice. Staff visited and inspected over 400 homes, weatherized 143 homes, and repaired or replaced 89 furnaces and 14 hot water tanks. Two successful Weatherization Showcase events, which were highlighted on the local news, assisted in recruiting many new clients and spreading the word about these beneficial services. In addition, MORPC administered the Universal Services Fund Program, which offered free consumer education and measures to 342 households in the city of Columbus and Franklin County, resulting in savings on their utility bills.

OPWC: Improving Infrastructure

MORPC worked with the local Public Works Integrating Committee and the Ohio Public Works Commission (OPWC) to award \$21.8 million in funding for Franklin County infrastructure projects. Funding is awarded to Franklin County communities for the improvement of their basic infrastructure systems, such as improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal facilities. Projects receiving funding in 2003 included:

- Westerville County Line Road – City of Westerville plans to extend County Line Road west roughly one mile from Cleveland Avenue to Worthington Road.
- City of Gahanna/Hamilton Road – Involves the reconstruction and widening of 900 feet of existing narrow two-lane roadway on Hamilton Road to a five-lane highway from south of US 62 to just north of Beecher Road in Gahanna. New storm water drainage, street lights, sidewalks and traffic signals will be added or upgraded.
- Townships assisted with handicap ramps, curb replacement and/or road improvements in Hamilton Meadows in Hamilton Township, Blacklick Estates in Madison Township, and the Qualstan Subdivision in Truro Township.

MORPC provides administrative support to the local Public Works Integrating Committee, processing and reviewing project requests from local governments, and informing local governments of program requirements.

MAJOR ACCOMPLISHMENTS OF 2003

Goal 1 – Increase regional cooperation.

MORPC moved forward with the Regional Connections project by conducting quarterly meetings, stakeholder meetings & convener meetings with each of the seven counties and finalized drafts of the regional land use compiled from local planning sources.

MORPC co-sponsored a Regional Development Forum with the Columbus chamber on the value of redeveloping downtown as a catalyst for regional vitality.

Convened quarterly Central Ohio Regional Forums on topics including regional transit, regional air quality, and the new Columbus Regional Airport Authority.

Completed the Franklin/Delaware Traffic & Growth Management Toolkit project and organized the Central Ohio Planning Exchange (COPE) pilot website to improve communication and coordination of planning efforts.

Goal 2 – Improve the regional environment.

MORPC formed the Air Quality Committee to address issues of anticipated U.S. EPA nonattainment designation for the region. MORPC was the only program in the state to fully integrate ozone and particle pollution in an “air quality program” rather than staying with “ozone action” programs.

Entered into a partnership with several entities to establish greenways signage for the historical corridor along Alum Creek and the Olentangy River focusing on the Underground Railroad.

Promoted green construction practices through participation in the Erosion/Sediment Control Field Day.

Goal 3 – Reduce regional energy usage.

Ran a successful Energy Smart Community Challenge including the Sustainable Schools Design *Charette* and a video which demonstrates how energy efficiency issues and green design can be incorporated into building projects.

Goal 4 – Improve regional mobility.

Worked with ODOT and consultants on the I-70/I-71 Innerbelt Major Improvement Study.

Provided ongoing ride solutions to businesses and commuters with 588 confirmed carpools and 38 vans on the road. MORPC’s RideSolutions program was featured on U.S. EPA’s “best practices” website.

Worked with ODOT on proposals for reconfiguring the SR 35, US 23 and I-71 interchanges.

Met the requirements for FHWA/FTA Triennial Certification, and received commendations on the statewide ozone awareness effort, project CLEAR, close relationship with COTA, and ITS efforts especially with COTA architecture.

Began discussions with CRAA and COTA on potential intermodal rail freight developments in central Ohio.

Assisted COTA in preliminary engineering and public involvement process for the North Corridor Light Rail Transit study.

After decades of planning and engineering, the Spring-Sandusky Interchange opened to traffic, reducing traffic on the overused I-70/I-71 overlap.

Goal 5 – Provide planning assistance to local governments and special districts.

MORPC completed traffic analyses and made recommendations for traffic-calming treatments throughout the Linden area.

MORPC convened policy makers and technical staff in ongoing meetings to study traffic patterns, intersections, and infrastructure funding mechanisms in Northwest Franklin County. MORPC hosted American Planning Association audio seminars on *Context Sensitive Street Design*, *Strategic Management for Planning Agencies*, *Green Infrastructure*, and *Smart Growth Codes*.

MORPC assisted in coordination efforts for the Delaware Sewer Study.

Provided plan updates for Washington Courthouse, Washington Township, and South Bloomfield, and conducted the Annual Planning & Zoning Workshop.

Goal 6 – Maximize flow of infrastructure dollars to local governments.

MORPC's rankings for Ohio Public Works Commission (OPWC) projects were approved by the Public Works Integrating Committee (PWIC). The rankings for LTIP, SCIP and endorsement of projects eligible for Small Government Funds were forwarded to OPWC.

The PWIC made recommendations for the Clean Ohio Revitalization Fund applications to the Clean Ohio Council.

The Natural Resources Assistance Council (NRAC) submitted its final recommendations for Clean Ohio Conservation Fund.

TRAC project rankings were presented, amended and approved by members. The top five projects in order were I-70/I-71 Innerbelt, Stelzer Road at International Gateway Interchange, US 33 Freeway, COTA LRT, and Rickenbacker Intermodal Facility.

Goal 7 – Provide legislative support and information to local governments.

MORPC provided ongoing information to members on the Federal Transportation Bill proceedings.

MORPC hosted bi-monthly meetings for the Mid-Ohio Finance Administrators with topics such as reducing fringe benefits costs, increasing revenue generation for local governments, and billing for emergency medical services.

Organized and coordinated the testimony of national urban expert Myron Orfield before the House Subcommittee on Growth and Land Use.

Created the Ohio Mobility partners coalition to open dialog about flexibility and multimodalism in Ohio's system of transportation finance.

Goal 8 – Conduct analyses of public policies affecting members.

Worked with Central Ohio First Suburbs on redevelopment and utility aggregation issues.

Provided analyses to members on the FY2003 Omnibus appropriations bill and the Governor's Transportation Financing Plan.

Goal 9 – Improve member satisfaction.

MORPC conducted informational meetings for the Mid-Ohio Administrators Group on topics including HIPPA, Military Leave and USERRA, Ohio's Records Retention Laws, public records laws, and overtime pay laws.

MORPC conducted the annual salary survey and provided the information to members.

MORPC conducted a member satisfaction survey that came back very positive.

Goal 10 – Administer housing rehabilitation and homeownership programs for low income residents.

MORPC approved 51 loans for the Columbus Compact program; five new preconstruction/loan/lead grants for the Ross County Single-family Rehabilitation program, eight for the Franklin County Single-family Rehabilitation program, and six for the Delaware County Single-family Rehabilitation program.

Completed a total of 23 loan closings for the homeownership and downpayment assistance (DPA) program and seven DPA closings for the Temporary Assistance for Needy Families (TANF) program.

MORPC provided homeownership education and/or counseling to over 180 individuals.

Goal 11 – Administer weatherization programs for low income residents.

A total of 137 units were weatherized for the HWAP program, and 167 furnaces were repaired or replaced for the WarmChoice program.

Goal 12 – Increase agency revenue.

Raised \$75,000 from the Columbus Foundation for outreach and public involvement for the Regional Connections project.

Secured \$7,500 in funding from the George Gund Foundation to coordinate speakers for and disseminate information on the activities of the House Subcommittee on Growth & Land Use.

Goal 13 – Make the agency more competitive.

To make the agency more cost competitive, cost savings measures were implemented to reduce indirect costs, including reductions in the agency administrative staff. Actual indirect costs declined from 61.30% of direct labor in 2002 to 55.99% in 2003. Invoices to agency grantors and customers for indirect costs were \$63,000 less in 2003 than in 2002.

In April, 2003, employee cost sharing for health insurance was implemented. For the balance of 2003, employees contributed \$36,000 towards this fringe benefit. Employee cost sharing, along with other cost saving measures, reduced the actual fringe benefit rate from 55.64% of wages paid for time worked, to 52.25%.

Goal 14 – Improve operation of staff.

MORPC updated servers, anti-virus software and installed automatic software updates on agency computers.

Sponsored four EAP Wellness Programs on Stress Management/Time Management, Assertiveness Training, Balancing Home & Work Life, and Building Self-Confidence.

Goal 15 – Use the Internet to communicate and for project operations.

Designed an agency e-newsletter to be launched in January, 2004.

Partnered with Sonoma Technology, Inc., to create a web page that contains automated real-time ozone updates.

MORPC provided the MOAG-Intergovernmental Information Center website to members.

Goal 16 – Expand and maintain community and intergovernmental partnerships.

MORPC convened the Council of Downtown Districts covering topics such as: Columbus Downtown Development Corporation; downtown housing; downtown transportation and bridge improvement updates; economic impact of transit; retail development trends, and various downtown social services.

Arranged for Dan Burden of Walkable Communities, Inc., to present at the Columbus Metropolitan Club the Linden Area Traffic Study and discuss broader regional goals for improving pedestrian mobility and access.

Assisted in the design of the Ohio Farm Bureau's Neighbor Connection Field Trip.

Goal 17 – Improve public involvement in agency activities.

Conducted successful Annual Meeting which attracted 800 attendees from around the central Ohio region.

Conducted monthly Citizen Advisory Group meetings and issued general news releases.

Staff participated in numerous radio talk shows.

KEY GOALS FOR 2004

Regionally-Focused

Goal 1 - Increase regional cooperation.

Goal 2 - Improve the regional environment.

Goal 3 - Reduce regional energy usage.

Goal 4 - Improve regional mobility.

Planning for Local Governments

Goal 5 - Provide planning assistance to local governments and special districts.

Infrastructure Programming

Goal 6 - Maximize flow of infrastructure dollars to local governments.

Services to Members

Goal 7 - Provide legislative support and information to local governments.

Goal 8 - Conduct analyses of public policies affecting members.

Goal 9 - Improve member satisfaction.

Direct Services to People

Goal 10 - Administer housing rehabilitation and homeownership programs for low-income residents.

Goal 11 - Administer weatherization programs for low-income residents.

Agency Operations

Goal 12 - Increase agency revenue.

Goal 13 - Make the agency more competitive.

Goal 14 - Improve staff operations and productivity.

Community Relations

Goal 15 - Maintain and expand community and intergovernmental partnerships.

Goal 16 - Increase public awareness of and involvement in MORPC.

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 highest bond ratings.

Unemployment rates for, 2000, 2001, 2002 and 2003 were as follows:

	2000	2001	2002	2003
United States	4.0%	4.8%	5.8%	6.0%
Ohio	4.1%	4.3%	5.7%	6.1%
Central and south-central Ohio	2.5%	2.9%	4.5%	4.9%

The employment outlook for central and south central Ohio has been and remains better than the state and the nation as a whole despite the current economic slowdown

Total membership remains at 41 local governments and interest in membership is continuing to be expressed by other governments, indicating prospects for further geographical growth. Revenue from federal contracts accounted for 55.9% of MORPC's 2003 total revenue. Federal revenues are expected to remain stable in the future.

Revenues from contracts with utility companies are also expected to be stable in the near term. MORPC's total 2003 revenue decreased by 5.0% to \$7,159,001. The 2004 operating budget is \$8,253,800, which is a 15.3% increase over 2003 Actual.

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:

- Personal service
- Materials and supplies
- Services and charges
- Capital outlays
- Debt service
- Other financing uses

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 nearly 90 percent 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 \$49,999 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 systematically reviewed and updated. The auditors' report on internal controls begins on page XX of this report and discloses no condition considered to be a material weakness.

PROPRIETARY OPERATIONS: As discussed above, MORPC is a governmental nonprofit voluntary association of local governments, operating like a consulting business and 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.

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 \$592,145 in 2003 with \$494,136 used in the operating budget and \$98,009 restricted for capital building 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 \$3,999,332 or 55.9% of its 2003 revenue, from federal sources under actual cost reimbursement 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 2004 budget.

	2002 Actual	2003 Actual	2004 Budget
Revenue:			
Federal contracts	\$4,519,259	\$3,999,332	\$4,012,886
State grants and contracts	455,389	560,699	1,117,471
Member's per-capita fees	469,267	494,136	501,700
Utility contracts	1,122,162	1,142,415	1,132,000
Other local contracts	858,726	829,689	1,256,055
Foundation/Corporate Contributions	91,330	132,730	233,688
Sale of Hope 3 properties	17,550	-0-	-0-
Total Revenue	7,533,683	7,159,001	8,253,800
Expenses:			
Salaries and benefits	4,248,094	4,090,090	4,443,662
Consultants and subcontracts	1,974,674	1,735,733	2,371,000
Depreciation	204,259	167,350	160,750
Other expenses	1,126,026	1,187,606	1,312,138
Cost of sales – Hope 3 properties	17,550	-0-	-0-
Total Expenses	7,570,603	7,180,779	8,287,550
Net income (Loss) before depreciation on contributed assets	(36,920)	(21,778)	(33,750)
Depreciation on contributed assets	29,754	28,282	16,900
Net income (loss) Before Capital Contributions	(7,166)	6,504	(16,850)
Capital Contributions	130,303	84,553	129,500
Net Increase in retained earnings	123,137	91,057	112,650
Capital expenditures	\$80,295	\$49,189	\$231,500

Net Income (Loss) Before Capital Contributions in 2003 was \$6,504 and includes net depreciation expense of \$17,429 for contributed assets received after December 31, 2000 in accordance with GASB 33.

MORPC completed 2003 with a net increase in retained earnings of \$91,057, including contributed capital. Total capital contributions of \$84,553 in 2003 include \$98,008 in contributions to the building fund, less \$13,455 in contributed assets returned to grantors. Members' per-capita fees of \$494,136, used in the operating budget, were leveraged by a factor of 14.5 to 1 to bring in total revenues of \$7,159,001. Total federal revenue decreased \$519,927, or 11.5% primarily due to decreased housing and weatherization contracts. Total state revenue increased by \$105,310, or 23.1%. This was due to increased transportation funding. Utility company revenue remained level in 2003 and is projected to remain level in 2004. Total staff salaries and benefits decreased by \$158,004 or 3.7% from the prior year, directly related to decreased housing and weatherization contracts and reductions in administrative staff. Services-subcontracts expense decreased by \$238,941 or 12.1%, primarily due to a reduction in transportation subcontracts.

Overall, 2003 operating revenue decreased \$374,682 or 5.0% from the prior year. Revenue is budgeted to increase by \$1,094,799 or 15.3% in 2004. Total Operating Revenue was under budget by \$1,020,503 or 12.5% of the budget of \$8,179,504. The following programs were under budget by \$100,000 or more:

	Amount Under
Transportation	\$454,419
Housing and Community Development	<u>488,820</u>
Total	<u>\$943,239</u>

Funding for the above programs was under contract and available to be earned. Staffing levels, however, were lower than available direct labor budgets and subcontractor work was significantly lower than anticipated in these programs, resulting in earned revenue below budget.

Capital expenditures for equipment, vehicles and software systems in 2003 totaled \$49,189 of which \$7,613 was funded by grantors (contributed capital). Total depreciation expense was \$167,350 and net capital assets at year-end were \$1,108,604. Actual Capital expenditures in 2003 were significantly below the appropriated amounts as several acquisitions were delayed.

MORPC's cash position at year end decreased from \$1,404,167 to \$1,245,365, however, the cash balance remained strong and cash on hand at December 31, 2003 was equal to 7.1 weeks cash flow.

BUILDING LEASE: MORPC leases an office building from Franklin County under a cancelable operating lease requiring rental payments sufficient to meet the principal and interest payments necessary to retire debt issued by Franklin County to finance the cost of the office building. The debt was retired in 2001. MORPC now has the option to purchase the building for \$1, but has delayed doing so in order to preserve a mechanism to finance a major expansion. Prepayments of building rent earn interest income, which defrays MORPC's future rent expense. MORPC had prepaid rent of \$86,645 at December 31, 2003, which will be written off as an operating expense over the remaining life of the lease, which ends in 2006. Since occupying the building in 1982, MORPC has made leasehold improvements totaling \$377,388. An additional \$692,812 has been paid to Franklin County under the lease in anticipation of future improvements. The Commission reviewed MORPC's space needs in 2001 and adopted the following:

- Membership Dues rates through 2007 sufficient to finance a building expansion if needed.
- Decision to negotiate with Franklin County to arrange favorable financing of building expansion if needed.
- Appointment of an Oversight Task Force to determine the proper timing for a building expansion and assure onsite parking, site aesthetics and green space are preserved.

More details regarding this significant lease can be found in other sections of this report.

TRUST for benefit of MORPC - HOPE 3: A trust for the benefit of MORPC was created in 1995 to hold title to homes and otherwise facilitate the implementation of the federal "Home Ownership for People Everywhere" (HOPE 3) program. Assets totaling \$485,556, at December 31, 2003 were held by the trustee, are controlled by MORPC and have been included on MORPC's balance sheet. Mortgage notes receivables of \$341,429 are however, expected to be forgiven over time. No properties were held at December 31, 2003.

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, Firststar Bank held \$144,126 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 XX through XX. 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, Deloitte & Touche LLP, is included in the financial section of this report and is unqualified.

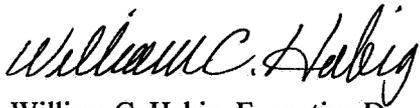
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Mid-Ohio Regional Planning Commission for its comprehensive annual financial report for the fiscal year ended December 31, 2002. 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. The Mid-Ohio Regional Planning Commission has received a Certificate of Achievement for the last fifteen 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 Susan Tsen, MORPC Accounting Manager and Deloitte & Touche LLP, 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,



William C. Habig, Executive Director



Carl R. Styers, CPA, Finance Director



REGIONAL PLEDGE

Regional Pledge

Preamble:

We acknowledge that the people who live and work in the mid-Ohio area form a single community and are bound together physically, economically, and socially. We further acknowledge and respect each community's uniqueness and value that diversity.

WE PLEDGE:

- To encourage and support a spirit of cooperation among the local governments in a manner that will protect the rights of the individual local governments.
- To involve neighboring communities in developing plans and to share those plans with the entire regional community when adopted.
- To plan for redevelopment and future development so that:
 - a. Transportation systems can meet future needs.
 - b. Adequate street, utility, health, educational, recreational, and other essential facilities can be provided as growth occurs.
 - c. The needs of agriculture, business, and industry are recognized.
 - d. Safe and healthful surroundings in residential and commercial areas are provided.
 - e. Historical, cultural values, and critical natural resources are preserved.
 - f. There is an efficient and economical use of public funds.
 - g. Reinvestment can occur in mature communities.
- To actively participate in a regional planning process and to guide the unified, far-reaching development of the region.
- To support and promote concerted action (collaboration) among the local governments for their mutual benefit and for the welfare of the region as a whole.
- To join and cooperate with other communities to insure the efficient delivery of public services for the health, safety and general welfare of all citizens in the region.
- To identify areas where regional solutions, principles, and approaches can serve all communities regardless of community demographics, boundaries, diversity or differences.
- To encourage collaborative economic development initiatives within the region.

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, 2002

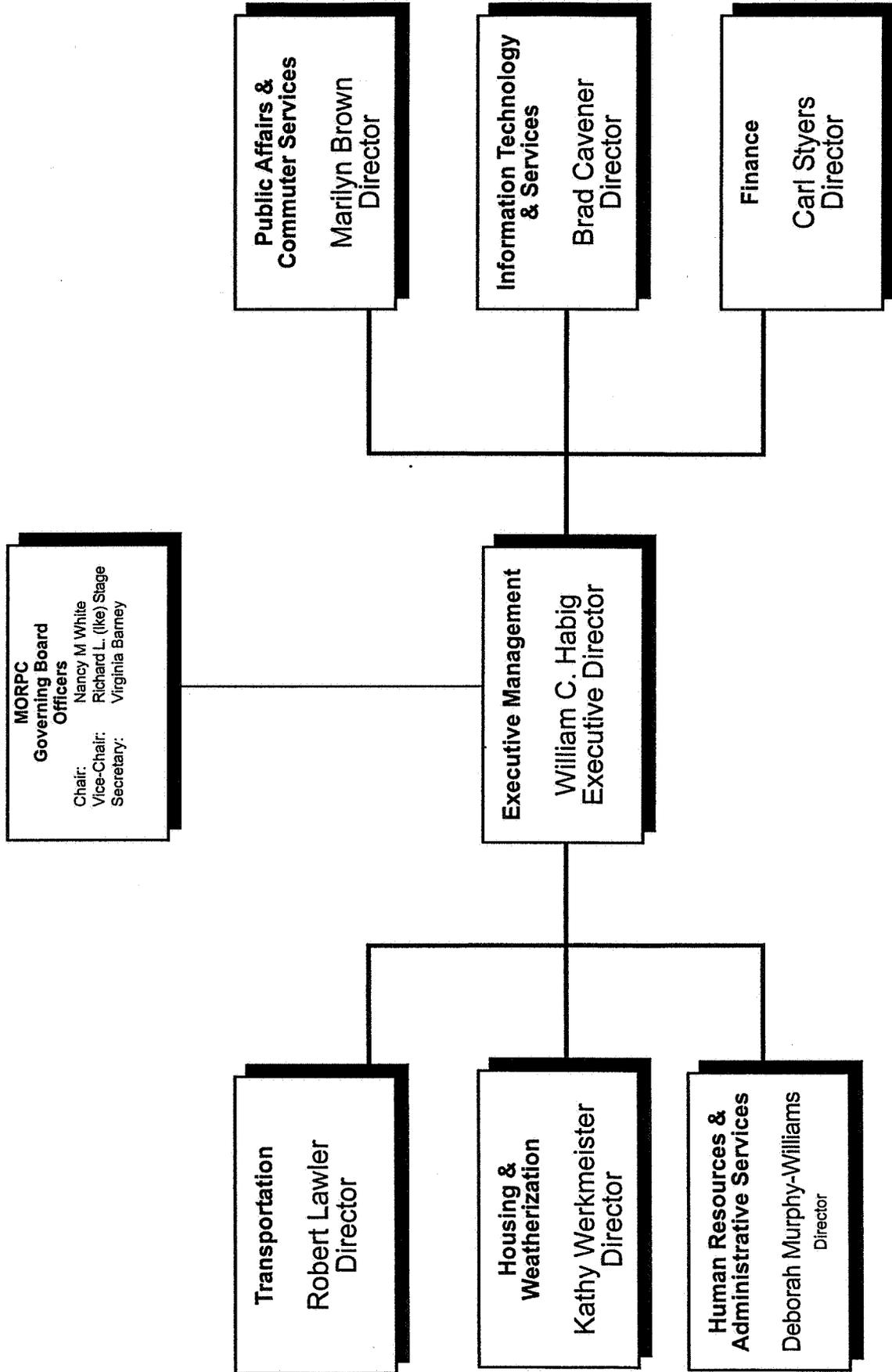
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

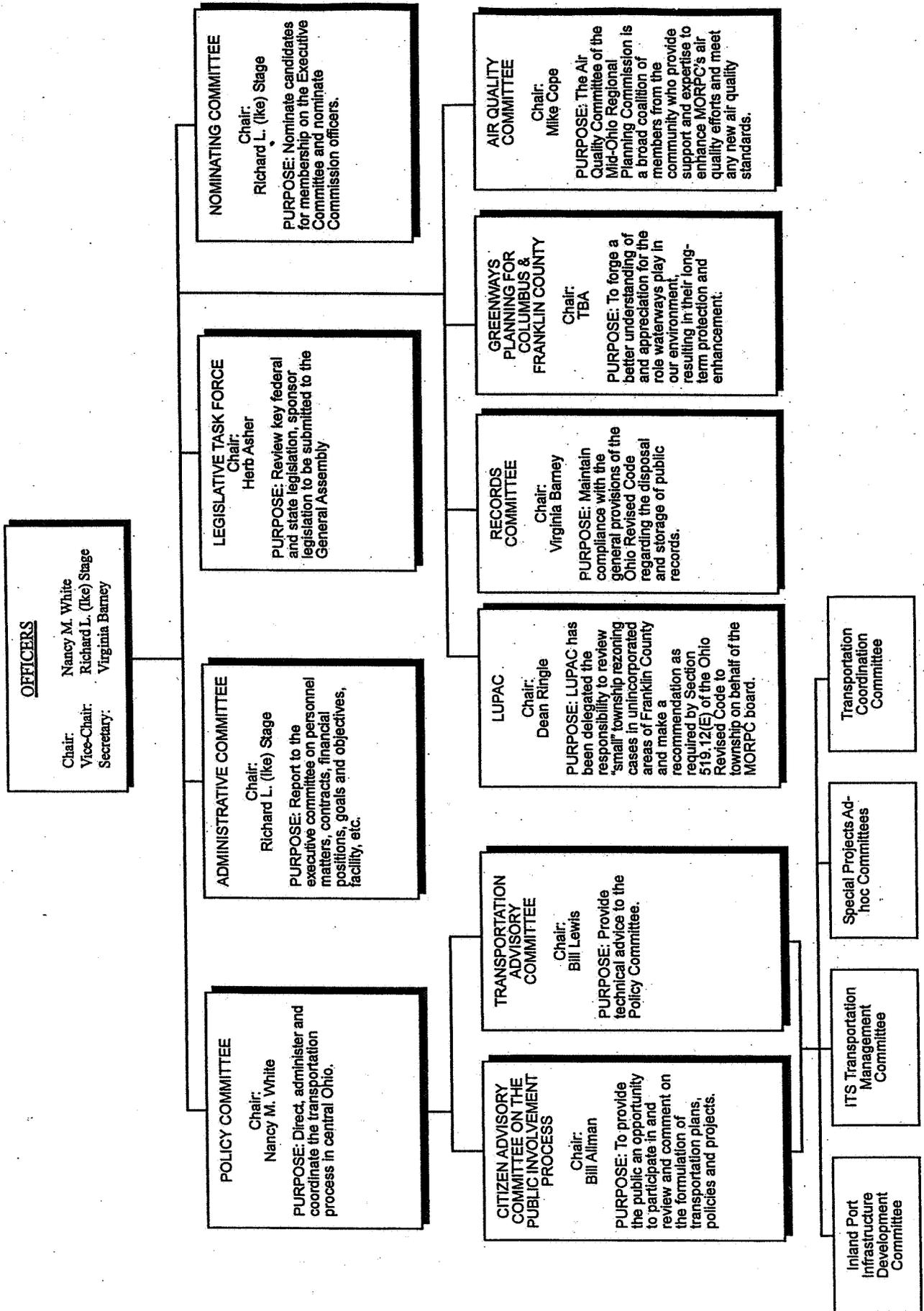
Executive Director

MID-OHIO REGIONAL PLANNING COMMISSION
Organizational Chart - Staff
As of December 31, 2003



MID-OHIO REGIONAL PLANNING COMMISSION

As of 12/31/03



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II. FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Members
Mid-Ohio Regional Planning Commission:

We have audited the accompanying balance sheets of Mid-Ohio Regional Planning Commission ("MORPC") as of December 31, 2003 and 2002, and the related statements of revenues, expenses and changes in retained earnings, and of cash flows for the years then ended. These financial statements are the responsibility of MORPC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 respective financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective 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 audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of MORPC as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on MORPC's financial statements. The Introductory Section on pages 1-24, Additional Information on pages 37-43 and Statistical Section on pages 45-51 is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the responsibility of MORPC's management. The Additional Information on pages 37-43 has been subjected to the auditing procedures applied by us in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The Introductory Section on pages 1-24 and Statistical Section on pages 45-51 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2004 on our consideration of internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.



June 4, 2004

MID-OHIO REGIONAL PLANNING COMMISSION

BALANCE SHEETS DECEMBER 31, 2003 AND 2002

ASSETS	2003	2002
CASH DEPOSITS	\$ 1,245,365	\$ 1,404,167
ACCOUNTS RECEIVABLE:		
Federal grants and contracts	540,988	321,418
State, local and utility company grants and contracts	495,505	193,866
Other	<u>4,416</u>	<u>35,068</u>
Total accounts receivable	1,040,909	550,352
PREPAID RENT	86,645	114,203
OTHER PREPAID EXPENSES	66,859	61,871
CASH—Board designated for building repairs and replacements	692,812	594,805
HOPE 3 PROGRAM—Mortgage notes receivable	341,429	395,041
PROPERTY AND EQUIPMENT—Net	<u>1,108,604</u>	<u>1,259,259</u>
TOTAL ASSETS	<u>\$ 4,582,623</u>	<u>\$ 4,379,698</u>
 LIABILITIES AND EQUITY		
ACCOUNTS PAYABLE	\$ 404,733	\$ 297,215
ACCRUED LIABILITIES:		
Payroll and fringe benefits	245,545	245,703
Vacation and sick leave	<u>424,138</u>	<u>467,295</u>
Total accrued liabilities	669,683	712,998
UNEARNED GRANT AND CONTRACT REVENUE:		
HOPE 3 Implementation Grant	489,092	578,726
Federal grants	70,407	81,970
State, local and utility company grants and contracts	<u>325,398</u>	<u>130,466</u>
Total unearned grant and contract revenue	884,897	791,162
CAPITAL LEASE OBLIGATION	<u>6,321</u>	<u>12,684</u>
Total liabilities	1,965,634	1,814,059
EQUITY:		
Contributed capital	599,952	639,659
Retained earnings	<u>2,017,037</u>	<u>1,925,980</u>
Total equity	<u>2,616,989</u>	<u>2,565,639</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 4,582,623</u>	<u>\$ 4,379,698</u>

See notes to financial statements.

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
REVENUES:		
Governmental:		
Federal grants and contracts	\$ 3,999,332	\$ 4,519,259
Nonfederal:		
Members' per capita fees	494,136	469,267
State grants and contracts	560,699	455,389
Local contracts and other	<u>829,689</u>	<u>858,726</u>
Total nonfederal	1,884,524	1,783,382
Sale of HOPE 3 properties		17,550
Foundations/corporate contributions	132,730	91,330
Utility company contracts	<u>1,142,415</u>	<u>1,122,162</u>
Total revenues	<u>7,159,001</u>	<u>7,533,683</u>
EXPENSES:		
Salaries and benefits	4,090,090	4,248,094
Consultants and subcontractors	1,735,733	1,974,674
Cost of sales of HOPE 3 properties		17,550
Other services	317,446	267,272
Rent and utilities	104,544	122,767
Materials and supplies	279,102	310,029
Printing	48,679	59,550
Travel	63,892	58,738
Depreciation	167,350	204,259
Advertising	150,895	104,618
Other	<u>223,048</u>	<u>203,052</u>
Total expenses	<u>7,180,779</u>	<u>7,570,603</u>
NET LOSS BEFORE DEPRECIATION ON CONTRIBUTED ASSETS	(21,778)	(36,920)
ADD—Depreciation on contributed assets	<u>28,282</u>	<u>29,754</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	6,504	(7,166)
CAPITAL CONTRIBUTIONS	<u>84,553</u>	<u>130,303</u>
NET INCREASE IN RETAINED EARNINGS	91,057	123,137
RETAINED EARNINGS—Beginning of year	<u>1,925,980</u>	<u>1,802,843</u>
RETAINED EARNINGS—End of year	<u>\$ 2,017,037</u>	<u>\$ 1,925,980</u>

See notes to financial statements.

MID-OHIO REGIONAL PLANNING COMMISSION

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss before depreciation on contributed assets	\$ (21,778)	\$ (36,920)
Adjustments to reconcile to cash provided by operating activities:		
Depreciation	167,350	204,259
Changes in assets and liabilities:		
Accounts receivable	(490,557)	(76,024)
Prepaid rent	27,558	31,183
Other prepaid expenses	(4,988)	(17,987)
HOPE 3 program	53,612	35,344
Accounts payable	107,518	89,297
Accrued liabilities	(34,263)	(45,686)
Unearned grants and contract revenue	93,735	(97,544)
Total adjustments	<u>(80,035)</u>	<u>122,842</u>
Net cash provided by (used in) operating activities	<u>(101,813)</u>	<u>85,922</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property and equipment	(50,626)	(50,589)
Payments on lease obligation	(6,363)	(18,580)
Member contributions	<u>98,007</u>	<u>97,430</u>
Net cash provided by capital and related financing activities	<u>41,018</u>	<u>28,261</u>
INCREASE (DECREASE) IN CASH DEPOSITS	(60,795)	114,183
CASH DEPOSITS—Beginning of year (including \$594,805 and \$497,374 in cash—board designated for building repairs and replacement at January 1, 2003 and 2002, respectively)	<u>1,998,972</u>	<u>1,884,789</u>
CASH DEPOSITS—End of year (including \$692,812 and \$594,805 in cash—board designated for building repairs and replacements at December 31, 2003 and 2002, respectively)	<u>\$ 1,938,177</u>	<u>\$ 1,998,972</u>

See notes to financial statements.

MID-OHIO REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2003 AND 2002

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 Statement No. 14, *The Financial Reporting Entity*, 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 74 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, an enterprise 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 enterprise 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 the Commission 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 and the U.S. Department of Health and Human Services (in conjunction with the Ohio Department of Development).

Revenues are recognized in the statements of revenues, expenses and changes in retained earnings when earned, on a percentage of completion basis. Cash received for which applicable services have not been performed are recorded as unearned grant and contract revenue in the balance sheets.

Property and Equipment—MORPC capitalizes at cost all purchased property and equipment costing \$1,000 and greater. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from three to forty 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—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. MORPC has no other cash deposits or investments and does not receive interest on its cash balances held in the County Treasury.

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.

Statement No. 3 of the Governmental Accounting Standards Board ("GASB") requires that all deposits be classified as to custodial risk.

The following custodial risk categories are used:

- a. Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- b. Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- c. Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name.

MORPC's deposits with Franklin County have carrying amounts and bank balances of \$1,794,031 and \$1,810,656 at December 31, 2003 and 2002, respectively, and are not required to be categorized based on the nature of the deposits. 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 are classified in category 3 and the carrying amounts are \$144,126 and \$188,296 at December 31, 2003 and 2002, respectively. The bank balances are \$144,330 and \$188,376 at December 31, 2003 and 2002, respectively, with the difference due mainly to outstanding checks.

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.

Contributed Capital—The changes in MORPC’s contributed capital account were as follows:

Sources	2003	2002
Beginning balance	\$ 639,659	\$ 669,413
Contributing sources:		
Disposal of contributed assets	(11,425)	
Depreciation of fixed assets acquired by grants, restricted for capital acquisitions	<u>(28,282)</u>	<u>(29,754)</u>
Ending balance	<u>\$ 599,952</u>	<u>\$ 639,659</u>

Net income (loss) before capital contributions was \$6,504 and (\$7,166) for the years ended December 31, 2003 and 2002, respectively. These amounts include net depreciation expense on contributed assets received after December 31, 2000 of \$17,429 and \$23,697 in 2003 and 2002, respectively, in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Capital contributions reported in the statements of revenues, expenses and changes in retained earnings totaled \$84,553 and \$130,303 for the years ended December 31, 2003 and 2002, respectively. In 2003 these amounts included \$98,008 in contributions to the building fund and a return of \$13,455 of contributed assets to the grantors. In 2002, these amounts included \$32,872 in contributed assets and \$97,431 in contributions to the building fund.

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 MORPC Board 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 inter fund 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 cost allocation plan is also submitted for negotiation at this time.

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

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 quarterly by the Administrative Committee.

Cash Equivalents—For purposes of the statements of cash flows, MORPC considers all cash deposits held by the Franklin County Treasury as well as 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.

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 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 so converted in 2003 and 2002 was approximately \$42,900 and \$66,309, respectively, reducing MORPC's liability.

HOPE 3 Program—MORPC manages the Hope for Homeownership of Single Family Homes Program ("HOPE 3") 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, 2003 and 2002.

The 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.

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—The Governmental Accounting Standards Board (“GASB”) has recently issued Governmental Accounting Standards Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*. MORPC has not elected early implementation of this statement in 2003. MORPC is required to implement GASB Statement No. 34 by 2004. Management is currently evaluating the impact of this statement on the results of operations and financial conditions.

In March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment to GASB No. 3*, which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The standard is effective for periods beginning after June 15, 2004. MORPC has not completed an analysis of the impact of this statement on its reported financial statements.

In November 2003, the GASB issued Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which establishes accounting and financial reporting standards for impairment of capital assets. This Statement also clarifies and establishes accounting requirements for insurance recoveries. The standard is effective for periods beginning after December 15, 2004. MORPC has not completed an analysis of the impact of this standard on its reported financial statements.

2. CASH DESIGNATED FOR REPLACEMENTS

During 2003 and 2002, MORPC deposited monies with the Franklin County Treasury, which are designated to be used for major replacements, repairs and maintenance of its leased facility, which totaled approximately \$692,812 and \$594,805 at December 31, 2003 and 2002, respectively.

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2003	2002
Building	\$ 1,801,000	\$ 1,801,000
Leasehold improvements	377,387	377,387
Leased equipment	287,352	294,429
Furniture and equipment	859,645	853,896
Automobiles and light trucks	<u>205,784</u>	<u>311,038</u>
Total	3,531,168	3,637,750
Less accumulated depreciation and amortization	<u>(2,422,564)</u>	<u>(2,378,491)</u>
Total property and equipment	<u>\$ 1,108,604</u>	<u>\$ 1,259,259</u>

4. LEASES

MORPC leases certain computers and office equipment under capital leases. Future minimum payments, by year and in the aggregate, under these leases with initial or remaining terms of one year or more, consisted of the following at December 31, 2003:

2004	\$ 5,077
2005	<u>1,930</u>
Total minimum lease payments	7,007
Less amount representing interest	<u>(686)</u>
Present value of minimum lease payments under capitalized lease	<u>\$ 6,321</u>

5. OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM

All MORPC employees participate, through Franklin County, in the statewide Ohio Public Employees Retirement System ("OPERS"). The plan is a cost sharing, multiple employer defined benefit pension plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. In 2003 and 2002 the employer was required to contribute 13.55% of active member payroll. Employees were required to contribute 8.5% of their annual covered salary.

Total required employer contributions billed to the MORPC were approximately \$473,000, \$479,000 and \$421,000 for the years ending December 31, 2003, 2002 and 2001, respectively.

OPERS issues a publicly available stand-alone financial report that includes its financial statements and required supplementary information. That report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6705 or 1-800-222-7377.

Other post-employment benefits for health care costs provided by OPERS are as follows:

OPERS provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit ("OPEB") as described in GASB Statement No. 12, *Disclosure of Information on Postemployment Benefits other than Pension Benefits by State and Local Government Employers*. A portion of each contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2003 and 2002 employer contribution rate for state employers was 13.55% of covered payroll; 5.00% was the portion that was used to fund health care for the year. These rates are the actuarially determined contribution requirement for OPERS. The portion of MORPC's 2003 and 2002 contributions that were used to fund postemployment benefits was \$175,000 and \$177,000, 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, 2002. 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. The investment assumption rate for 2002 was 8.00%. An annual increase of 4.00% compounded annually is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%. Health care costs were assumed to increase 4.00% annually.

OPEB are advance-funded on an actuarially determined basis. As of December 31, 2002, the actuarial value of the OPERS' net assets available for OPEB was \$10 billion. The number of active contributing participants was 364,881. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$18.7 billion and \$8.7 billion, respectively.

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

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

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

6. 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.

7. 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, 2003 and 2002, respectively, was approximately \$28,600 and \$28,500 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 2003 and 2002 and during the past three years insurance coverage was sufficient to cover all losses.

8. FEDERAL GRANTS AND CONTRACTS REVENUE

Federal grants and contracts for the years ended December 31, 2003 and 2002 are made up of the following:

	2003	2002
Federal grants	\$3,983,953	\$3,661,214
Federal contracts	<u>15,379</u>	<u>858,045</u>
Total federal grants and contracts	<u>\$3,999,332</u>	<u>\$4,519,259</u>

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ADDITIONAL INFORMATION

MID-OHIO REGIONAL PLANNING COMMISSION
Schedule of Revenues and Expenses-Budget and Actual
Year ended December 31, 2003

	Actual	Budget	Variance favorable (unfavorable)
Revenue:			
Transportation Programs	\$ 2,597,086	3,051,505	(454,419)
Ridesolutions	705,132	597,841	107,291
Housing and Community Development Programs	1,070,295	1,559,115	(488,820)
Residential Energy Conservation	1,875,520	1,839,143	36,377
Planning and Executive Management	852,060	926,454	(74,394)
Sale of HOPE 3 Properties	0	0	0
Other	58,908	205,446	(146,538)
	<u>7,159,001</u>	<u>8,179,504</u>	<u>(1,020,503)</u>
Total revenue			
Expenses:			
Salaries and benefits	4,090,092	4,333,165	(243,073)
Consultants, services and other	2,644,237	3,394,976	(750,739)
Materials and supplies	279,103	310,000	(30,897)
Depreciation	167,347	178,382	(11,035)
Cost of sales, HOPE 3 properties	0	0	0
	<u>7,180,779</u>	<u>8,216,523</u>	<u>(1,035,744)</u>
Total expenses			
Net income (loss) before depreciation on contributed assets	(21,778)	(37,019)	15,241
Add - depreciation on contributed assets	28,282	28,282	0
	<u>6,504</u>	<u>(8,737)</u>	<u>15,241</u>
Net income (loss) before capital contributions			
Capital Contributions	84,553	128,012	(43,459)
	<u>91,057</u>	<u>119,275</u>	<u>(28,218)</u>
Net increase in retained earnings	<u>\$ 91,057</u>	<u>119,275</u>	<u>(28,218)</u>

Mid-Ohio Regional Planning Commission
 Details of Indirect Cost Allocation
 for the year ended December 31, 2003

	01/01/03 - 06/30/03			07/01/03 - 12/31/03			01/01/03 - 12/31/03		
	Direct Labor and Fringes	Allocated Indirect Costs		Direct Labor and Fringes	Allocated Indirect Costs		Direct Labor and Fringes	Allocated Indirect Costs	
Grants and Programs - Direct Labor									
Transportation	\$ 657,903	\$ 407,899	\$	\$ 696,850	\$ 390,236	\$	\$ 1,354,753	\$ 798,135	
RideSolutions Program	137,704	85,377		135,279	75,756		272,983	161,133	
Residential Energy Conservation Program	296,876	184,064		237,333	132,907		534,209	316,971	
Housing and Community Development	141,787	87,908		146,037	81,781		287,824	169,689	
Planning & Executive Management	214,244	132,831		223,894	125,381		438,138	258,212	
Other Grants and Programs	32,111	19,908		26,610	14,902		58,721	34,810	
Total	\$ 1,480,625	\$ 917,987	\$	\$ 1,466,003	\$ 820,963	\$	\$ 2,946,628	\$ 1,738,950	

Mid-Ohio Regional Planning Commission
 Details of Indirect Cost Allocation, Continued

	01/01/03 - 06/30/03		07/01/03 - 12/31/03		01/01/03 - 12/31/03	
	Total		Total		Total	
	Common	Indirect Costs	Common	Indirect Costs	Common	Indirect Costs
Indirect Labor						
Information and Technology Services	\$ 146,930	\$ 146,930	\$ 142,738	\$ 142,738	\$ 289,668	\$ 289,668
Finance	169,663	169,663	150,479	150,479	320,142	320,142
Public Affairs	42,061	42,061	47,394	47,394	89,455	89,455
Executive Management	94,977	94,977	94,465	94,465	189,442	189,442
Human Resources and Administration	92,993	154,926	46,623	102,648	139,616	257,574
Other Indirect Labor	19,167	19,167	24,458	24,458	43,625	43,625
Total-indirect labor	\$ 565,791	\$ 627,724	\$ 506,157	\$ 562,182	\$ 1,071,948	\$ 1,189,906
Percent of direct labor	38.21%	42.40%	34.53%	38.35%	36.38%	40.38%
General Overhead Expense						
Materials and Supplies	\$ 16,348	\$ 19,800	\$ 15,588	\$ 23,063	\$ 31,936	\$ 42,863
Services and Charges	78,250	92,910	98,019	114,071	176,269	206,981
Rent, Utilities and Building Maintenance	2,918	56,735	3,391	55,553	6,309	112,288
Other General Overhead	19,240	48,415	19,982	49,292	39,222	97,707
Total-general overhead	\$ 116,756	\$ 217,860	\$ 136,980	\$ 241,979	\$ 253,736	\$ 459,839
Percent of direct labor	7.89%	14.71%	9.34%	16.51%	8.61%	15.61%
Total indirect expenses	\$ 682,547	\$ 845,584	\$ 643,137	\$ 804,161	\$ 1,325,684	\$ 1,649,745
Percent of direct labor	46.10%	57.11%	43.87%	54.85%	44.99%	55.99%
Over (under) absorbed expenses	\$ 28,153	\$ 72,403	\$ 23,896	\$ 16,802	\$ 52,049	\$ 89,205
Percent of direct labor	1.90%	4.89%	1.63%	1.15%	1.77%	3.03%

Mid-Ohio Regional Planning Commission
 Indirect Cost Allocation - Summary

	01/01/03 - 06/30/03			07/01/03 - 12/31/03			01/01/03 - 12/31/03		
	Direct Labor and Fringes	Allocated Indirect Costs	Rate	Direct Labor and Fringes	Allocated Indirect Costs	Rate	Direct Labor and Fringes	Allocated Indirect Costs	Rate
Headquarters	\$ 1,480,625	\$ 917,987	62.00%	\$ 1,466,003	\$ 820,963	56.00%	\$ 2,946,628	\$ 1,738,950	59.01%
Total	<u>\$ 1,480,625</u>	<u>\$ 917,987</u>		<u>\$ 1,466,003</u>	<u>\$ 820,963</u>		<u>\$ 2,946,628</u>	<u>\$ 1,738,950</u>	
Common		Indirect Expenses	Rate		Indirect Expenses	Rate		Indirect Expenses	Rate
Headquarters		\$ 682,547	46.10%	\$ 643,137	\$ 43.87%	\$ 1,325,684	\$ 44.99%	\$ 324,061	11.00%
Total		<u>\$ 163,037</u>	11.01%	<u>\$ 161,024</u>	10.98%	<u>\$ 804,161</u>	<u>\$ 54.85%</u>	<u>\$ 1,649,745</u>	<u>55.99%</u>

MID-OHIO REGIONAL PLANNING COMMISSION

Details of Fringe Benefits Allocation

for the years ended June 30, 2003 and December 31, 2003

	Year Ended 06/30/03	Year Ended 12/31/03
Wages paid for time worked:	<u>\$ 2,727,381.05</u>	<u>\$ 2,677,254.62</u>
Allocated fringe benefits:	\$ 1,472,420.95	1,445,353.98
Actual fringe benefits:		
Fringe benefit wages:		
Vacations	191,187.53	193,521.88
Sick Leave	78,211.73	98,776.28
Holiday and Other Fringe Wages	87,152.08	86,638.86
Retirement sick leave	47,233.97	22,854.86
Vacations Carryover	89,215.30	48,836.00
Other	<u>1,500.00</u>	<u>1,200.00</u>
Total fringe benefits wages	494,500.61	451,827.88
PERS	480,902.90	474,210.89
Workers' compensation	9,000.00	15,516.64
Group medical coverage	343,523.80	328,668.37
Unemployment compensation	5,457.54	7,579.20
Medicare Tax	35,872.50	36,936.30
Group life insurance	855.75	811.65
Group dental insurance	31,348.88	29,969.76
Group optical insurance	2,420.88	2,373.11
Group prescription insurance	80,309.40	78,129.96
Group EAP Insurance	9,820.69	8,785.42
Employee Cost Share	<u>(12,787.14)</u>	<u>(35,897.94)</u>
Total other fringe benefits	986,725.20	947,083.36
Total actual fringe benefits	<u>1,481,225.81</u>	<u>1,398,911.24</u>
Over (under) allocated fringe benefits	<u>\$ (8,804.86)</u>	<u>\$ 46,442.74</u>
Allocated fringe benefits	<u>53.99%</u>	<u>53.99%</u>
Actual fringe benefits rate	<u>54.31%</u>	<u>52.25%</u>

MID-OHIO REGIONAL PLANNING COMMISSION
 DETAILS OF CUMULATIVE REVENUE AND EXPENSES AND COMPUTATION OF PROJECT
 GRANTS ON FEDERAL TRANSPORTATION PROJECTS COMPLETED IN 2003
 Year Ended December 31, 2003

	Federal Transportation Administration FY 2003 Transit 9219/165031 Planning Work Program	FY 2002 Federal Highway Administration/Ohio Department of Transportation 9219/463450 Rideshare Program	FY 2003 Federal Highway Administration/Ohio Department of Transportation 9219/464840 Rideshare Program	FY 2002 Federal Highway Administration/Ohio Department of Transportation 9219/465680 STP Air Quality Data Coll. & Eval.	FY 2002 Federal Highway Administration/Ohio Department of Transportation/ 9219/463930 Franklin/Delaware Growth Management	Central Ohio Transit Authority Administration/Ohio Department of Transportation 8207/0937S North Corridor New Starts
Revenues:						
Federal grants: FHWA	\$ 1,156,403	\$ 472,500	\$ 564,500	\$ 125,000	\$ 40,000	\$ 13,154
FTA						
State grants: ODOT (FHWA match)	144,550					
ODOT (FTA match)	144,550					
Allocation of per capita fees-FHWA						
Allocation of per capita fees-FTA						
Local matching funds						
Overexpenditure of FHWA contract	1					
Overexpenditure of FTA contract						
Federal grants allocated						
State grants allocated						
In Kind Services						
TOTAL REVENUES	\$ 1,445,504	\$ 472,500	\$ 564,500	\$ 125,000	\$ 40,000	\$ 13,154
Expenditures:						
Salaries and benefits	859,756	198,031	216,461	15,410	24,466	7,967
Consultants and services	5,745	40,102	84,638	100,000	0	15
Rent and utilities	325	1,064	684	0	0	0
Equipment and Rentals	10,034	3,746	4,693	9	69	1
Supplies	193	9,182	16,367	0	0	0
Printing	7,209	2,304	2,123	23	90	232
Travel	13,704	1,129	940	0	0	0
Depreciation	15,501	90,271	104,905	9	75	0
Other						
In-kind services						
Subtotal-direct expenditures	\$ 912,467	\$ 345,929	\$ 430,821	\$ 115,451	\$ 24,700	\$ 8,215
Overhead and indirect cost allocation	\$ 533,049	\$ 126,671	\$ 133,692	\$ 9,554	\$ 15,300	\$ 4,939
TOTAL EXPENDITURES	\$ 1,445,516	\$ 472,499	\$ 564,513	\$ 125,005	\$ 40,000	\$ 13,154
Federal participation in project cost may not exceed	80%	100.00%	100.00%	100%	100%	100%
Pursuant to contracts, the federal grant may not exceed the lesser of the percentage shown above, or						
Accordingly the federal grant permissible is:	\$ 1,156,403	\$ 472,500	\$ 564,500	\$ 125,000	\$ 40,000	\$ 13,154
Less: Federal payments	1,156,403	472,500	564,500	125,000	40,000	13,154
Federal grant receivable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

MID-OHIO REGIONAL PLANNING COMMISSION
 SCHEDULE OF COSTS BY SUBCATEGORY FOR
 FEDERAL TRANSPORTATION GRANTS COMPLETED IN 2003

Year Ended December 31, 2003

SUBCATEGORIES	FTA	ODOT	MORPC	FHWA	ODOT	MORPC	STP	MORPC	STP	FHWA	COTA	MORPC	TOTAL
601 Short Range Planning	80.00%	10.00%	10.00%										100.00%
60103-001 Short Range Multimodal Transp.	\$105,162	\$13,145	\$13,145										\$131,453
60103-002 Freight Planning	\$28,039	\$3,505	\$3,505										\$35,049
602 Transportation Improvement Program	80.00%	10.00%	10.00%										100.00%
60203-000 TIP & Implementation	\$158,160	\$19,770	\$19,770										\$197,700
605 Continuing Planning - Surveillance	80.00%	10.00%	10.00%										100.00%
60503-001 Transportation Data & Surveillance	\$212,439	\$26,555	\$26,555										\$265,549
60503-002 Transp Models & Applications	\$104,011	\$13,001	\$13,001										\$130,014
610 Long Range Planning	80.00%	10.00%	10.00%										100.00%
61003-001 Long Range Multimodal	\$254,449	\$31,806	\$31,806										\$318,062
61003-002 Transportation Public Involvement	\$69,197	\$8,650	\$8,650										\$86,497
625 Service	80.00%	10.00%	10.00%										100.00%
62513-001 Assistance to Public & Members	\$51,138	\$6,392	\$6,392										\$63,922
635 Economic Regulation	80.00%	10.00%	10.00%										100.00%
63503-000 Transportation Policies	\$64,665	\$8,083	\$8,083										\$80,830
665 Planning				100.00%									100.00%
66510-000 Franklin/Delaware Growth Mgmt.				\$39,994									\$39,994
66522- Air Quality Data Collection & Eval.							100.00%						100.00%
667 66702- Rideshare Program FY2002							\$125,000						\$125,000
66703- Rideshare Program FY2003				100.00%									100.00%
668.0 66822- North Corridor New Starts				\$472,500									\$472,500
695 Transportation Program Supervision	80.00%	10.00%	10.00%	100.00%									100.00%
69503-000 Program Administration	\$109,142	\$13,643	\$13,643	\$564,500									\$564,500
697 Biennial Reports FY 200	80.00%	10.00%	10.00%								100.00%		100.00%
69707-000 Biennial Report-Transp. Staff											\$13,154		\$13,154
Total	\$1,156,403	\$144,550	\$144,550	\$1,076,994	\$0	\$0	\$125,000	\$0	\$0	\$0	\$13,154	\$0	\$2,660,651

III. STATISTICAL SECTION (UNAUDITED)

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MID-OHIO REGIONAL PLANNING COMMISSION
 Estimated Population by Member Jurisdiction Used for Per Capita/Membership Fees (Unaudited)
 December 31, 2003

Governmental Unit	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Cities:										
Bexley	13,220	13,285	13,285	13,289	13,290	13,293	13,314	13,320	13,217	13,217
Chillicothe	22,092	22,164	22,237	22,316	22,394	22,394	22,394	22,499	21,903	21,966
Circleville	11,908	11,930								
Columbus	657,487	666,211	675,045	684,928	696,849	701,426	705,652	714,413	726,601	734,024
Delaware			22,294	22,102	23,224	23,745	24,490	26,435	27,294	28,710
Dublin	18,911	19,753	21,494	22,337	23,103	24,976	26,039	30,556	32,269	35,523
Gahanna	30,918	32,240	32,919	33,605	33,950	34,503	34,892	35,214	33,118	33,194
Grandview Heights	7,010	7,013	7,016	7,027	7,027	7,027	7,027	7,027	6,695	6,695
Grove City	21,967	22,970	23,446	24,065	24,683	25,129	25,632	28,481	30,224	30,679
Hilliard	15,779	16,780	17,903	18,774	19,281	21,064	22,506	23,244	25,555	25,996
London				8,389	8,441	8,574	8,765	8,869	8,877	9,031
Marysville								14,530	16,986	17,386
Pickerington	7,552	7,399	7,535	7,744	7,895	8,035	8,377	8,755	10,452	11,259
Powell	3,006	3,837	4,287	3,929	4,544	4,981	5,346	6,009	7,115	6,995
Reynoldsburg	27,631	28,627	29,653	30,657	31,124	31,466	31,928	32,281	32,926	33,369
Upper Arlington	34,245	34,259	35,892	35,900	35,919	35,921	35,934	35,990	33,767	33,785
Washington				13,905	13,983	14,077	14,077	14,131	13,582	13,644
Westerville	32,917	33,635	34,016	34,412	34,833	34,948	35,926	36,278	35,908	36,018
Whitehall	20,585	20,590	20,599	20,612	20,612	20,675	20,696	20,702	19,207	19,207
Worthington	14,975	15,004	15,022	15,046	15,052	15,059	15,067	15,069	14,137	14,137
Total Cities	940,203	955,697	982,643	1,019,037	1,036,204	1,047,293	1,058,062	1,093,803	1,109,833	1,124,835
Villages:										
Ashley		1,068	1,075							
Brice	106	106	106	106	106	106	106	106	70	70
Canal Winchester	2,868	3,021	3,153	3,294	3,482	3,722	3,935	4,281	4,987	5,144
Groveport	3,006	3,129	3,218	3,378	3,439	3,573	3,602	3,688	4,121	4,323
Harrisburg	357	357	357	357	357	357	357	357	332	332
Lockbourne	283	283	283	383	383	283	283	283	280	280
Marble Cliff	639	647	651	652	652	652	652	652	646	646
Minerva Park	1,463	1,463	1,471	1,683	1,683	1,683	1,683	1,683	1,288	1,288
Mount Sterling									1,865	1,867
New Albany	2,006	2,098	2,253	2,688	3,100	3,361	3,550	3,970	4,323	4,675
New Rome	111	116	116	116	116	116	116	116	60	
Obetz	3,358	3,448	3,520	3,682	3,770	3,876	4,062	4,233	4,151	4,175
Riverlea	505	513	515	515	515	515	515	515	499	499
S. Bloomfield				838	935	943	951			
Urbancrest	933	933	939	945	952	955	965	968	873	875
Valleyview	604	604	604	604	604	604	604	604	601	601
West Jefferson	4,526	4,526	4,530	4,530	4,530	4,535	4,546	4,546	4,331	4,401
Total Villages	20,765	22,312	22,791	23,771	24,624	25,281	25,927	26,002	28,427	29,176
Delaware Co. Balance								70,767	74,845	79,906
Violet Township								16,362	17,495	17,876
Fayette Co. Balance				14,490	14,537	14,977	14,977	15,200	15,218	
Unincorporated										
Franklin County	99,805	100,028	97,959	98,041	98,244	98,547	101,747	102,105	93,448	93,897
Ross County excluding										
City of Chillicothe	47,839	47,863	47,879	47,879	47,915	48,884	49,585	50,635	52,600	53,199
Total County Balances	147,644	147,891	145,838	160,410	160,696	162,408	166,309	255,069	253,606	244,878
Total full member population	1,108,612	1,125,900	1,151,272	1,203,218	1,221,524	1,234,982	1,250,298	1,374,874	1,391,866	1,398,889
Total per capita full membership fees	\$339,083	\$344,240	\$346,987	\$388,030	\$418,247	\$442,212	\$493,521	\$532,710	\$566,697	\$586,432

continued

MID-OHIO REGIONAL PLANNING COMMISSION

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

December 31, 2003

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

Schedule of Revenue, Expenses and Changes in Retained Earnings - Last Ten Fiscal Years (Unaudited)

December 31, 2003

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Revenue:										
Governmental:										
Federal grants and contracts	\$ 4,692,925	\$ 4,036,790	\$ 3,704,309	\$ 3,394,314	\$ 4,249,376	\$ 4,101,941	\$ 3,901,036	\$ 4,055,624	\$ 4,519,259	\$ 3,999,332
Nonfederal:										
Members' per capita fees	285,269	283,695	285,439	325,273	357,196	382,637	427,847	460,480	469,267	494,136
State grants and contracts	239,060	175,619	198,956	199,660	166,262	217,174	245,164	224,708	455,389	560,699
Local contracts and other	690,557	556,737	661,073	780,630	872,659	1,091,936	1,258,269	872,408	950,056	962,419
Utility company contracts	1,215,128	1,178,449	1,017,986	1,246,533	1,214,307	1,389,518	1,029,687	1,127,715	1,122,162	1,142,415
Sale of HOPE 3 properties		424,875	398,756	444,843		297,937	116,226	118,582	17,550	
Total revenue	7,122,939	6,231,290	6,292,638	6,345,166	7,304,643	7,481,143	6,978,229	6,859,517	7,533,683	7,159,001
Expenses:										
Salaries and benefits	3,237,568	3,391,824	3,467,153	3,551,654	3,765,806	3,939,083	4,208,418	4,211,238	4,248,094	4,090,090
Consultants & subcontractors	2,712,310	1,706,437	1,249,910	966,955	1,597,334	1,681,736	1,193,340	1,287,359	1,974,674	1,735,733
Other services	224,274	218,574	248,598	334,275	396,701	388,864	435,271	284,090	267,272	317,446
Rent and utilities	219,132	214,055	214,168	213,362	201,423	204,429	178,981	195,239	122,767	104,544
Materials and supplies	205,515	222,080	207,552	255,669	291,570	300,175	217,752	233,830	310,029	279,102
Printing	78,002	46,506	56,584	78,427	73,774	65,145	66,760	34,654	59,550	48,679
Travel	55,732	62,889	60,361	72,962	74,039	73,254	79,079	68,725	58,738	63,892
Depreciation	118,504	136,690	137,193	169,124	171,662	195,487	203,657	193,393	204,259	167,350
Other services	239,233	235,146	235,305	305,079	260,530	303,114	265,633	249,416	307,670	373,943
Cost of sales of HOPE 3 properties		424,875	398,756	444,843		297,937	116,226	118,582	17,550	
Total expenses	7,090,270	6,234,201	6,301,699	6,346,263	7,277,682	7,449,224	6,965,117	6,876,526	7,570,603	7,180,779
Net income (loss) before depreciation on contributed assets	32,669	(2,911)	(9,061)	(1,097)	26,961	31,919	13,112	(17,009)	(36,920)	(21,778)
Add - depreciation on contributed assets	7,109	19,543	19,543	19,503	11,416	13,008	24,761	34,099	29,754	28,282
Net income before capital contributions	39,778	16,632	10,482	18,406	38,377	44,927	37,873	17,090	(7,166)	6,504
Capital contributions										
Net changes in retained earnings	39,778	16,632	10,482	18,406	38,377	44,927	37,873	1,109,859	123,137	91,057
Retained earnings, beginning of year	486,509	526,287	542,919	553,401	571,807	610,184	655,111	692,984	1,802,843	1,925,980
Retained earnings, end of year	\$ 526,287	\$ 542,919	\$ 553,401	\$ 571,807	\$ 610,184	\$ 655,111	\$ 692,984	\$ 1,802,843	\$ 1,925,980	\$ 2,017,037

Mid-Ohio Regional Planning Commission

Schedule of Insurance Coverage

December 31, 2003

(Unaudited)

Existing coverage - policies in force		Limits of liability
1. Type		Commercial Umbrella
Each Occurrence		\$2,000,000
General Aggregate		\$2,000,000
<i>Local Agent</i>		<i>Wichert Insurance</i>
<i>Insurance Company</i>		<i>Westfield Ins. Co.</i>
		<i>General Star Ins. Co.-Public Officials</i>
<i>Expires</i>		<i>November 1, 2004</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		\$250,000
Camera Equipment		\$16,500
Valuable Papers and Records - Cost of Research		\$300,000
Fine Arts		\$0
Builder's Risk/Installation Coverage		\$0
Contractors' Equipment Coverage		\$55,000
Deductible		\$500
7. Type		Commercial Property Coverage
Personal Property - 285 East Main St. & 501 Industry Drive		\$105,000
Extra Expense - 285 East Main St. & 501 Industry Drive		\$250,000
Deductible		\$1,000

(continued)

Mid-Ohio Regional Planning Commission

Schedule of Insurance Coverage

December 31, 2003

(Unaudited)

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		\$1,000
<i>Local Agent</i>		<i>Wichert Insurance</i>
<i>Insurance Company</i>		<i>Bonding and Insurance Specialist</i>
<i>Expires</i>		<i>August 17, 2004</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, 2004</i>
		Building and Contents Provided through Franklin Co.
10. Type		
Limit of Liability		
Building		\$3,291,036
Contents		\$726,000
Deductible		\$250,000
<i>Local Agent</i>		<i>Arthur J. Gallagher, Cleveland, OH</i>
<i>Insurance Company</i>		<i>Coregus Insurance Co.</i>
		<i>A division of GE</i>
<i>Expires</i>		<i>December 31, 2003</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>Royal Surplus</i>
<i>Insurance Company</i>		<i>Lines Insurance Co.</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, 2004</i>

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

Source: MORPC insurance policies.

Mid Ohio Regional Planning Commission

Area in Square Miles by Member Jurisdiction (Unaudited)

December 31, 2003

Governmental Unit	Area In Square Miles
Ross County less City of Chillicothe	681.97
Delaware County less Cities of Columbus, Delaware, Dublin, Powell and Westerville	428.84
The City of Columbus	219.80
Unincorporated Franklin County	194.01
The City of Dublin	24.33
The City of Delaware	16.95
The City of Grove City	15.56
The City of Hilliard	13.63
The City of Westerville	12.45
The City of Gahanna	11.36
The City of Reynoldsburg	11.52
The City of Upper Arlington	9.89
The City of Chillicothe	10.95
The Village of Groveport	8.96
The City of Pickerington	8.93
The Village of New Albany	10.14
The City of London	8.20
The City of Washington	7.21
The Village of Canal Winchester	6.75
The City of Worthington	6.39
The Village of Obetz	5.66
The City of Whitehall	5.34
The Village of West Jefferson	4.37
The Village of Powell	4.54
The City of Bexley	2.45
The City of Grandview Heights	1.35
The Village of Minerva Park	0.49
The Village of Urbancrest	0.49
The Village of Marble Cliff	0.31
The Village of Riverlea	0.20
The Village of Valley View	0.14
The Village of Brice	0.11
The Village of Lockbourne	0.11
The Village of Harrisburg	0.27
Total area in square miles	<hr/> 1,733.67

Source: County Engineers, MORPC and Member Communities

Mid-Ohio Regional Planning Commission

Benefits of Membership - Flow of Funds

FY 2003 (July 2002 to June 2003) Unaudited

Members/Governmental Unit	Members Dues and Investments	Return Flow of Funds from Federal, State and Utility Companies				
		TOTAL	Transportation	Infrastructure	Franklin & Ross County CDBG	Energy Conservation*
Dues						
City of Bexley	\$5,386	\$0	\$0	\$0	\$0	\$0
City of Chillicothe	8,939	0	\$0	\$0	\$0	\$0
City of Columbus	297,630	22,300,525	\$13,817,681	\$7,400,751	\$0	\$1,082,093
City of Delaware	11,416	0	\$0	\$0	\$0	\$0
City of Dublin	13,825	5,673	\$0	\$0	\$0	\$5,673
City of Gahanna	13,512	4,550	\$0	\$0	\$0	\$4,550
City of Grandview Heights	2,728	2,969	\$0	\$0	\$0	\$2,969
City of Grove City	12,411	793,928	\$0	\$720,000	\$18,620	\$55,308
City of Hilliard	10,505	9,693	\$0	\$0	\$0	\$9,693
City of London	3,650	0	\$0	\$0	\$0	\$0
City of Marysville	7,005	0	\$0	\$0	\$0	\$0
City of Pataskala	2,785	0	\$0	\$0	\$0	\$0
City of Pickerington	4,427	0	\$0	\$0	\$0	\$0
City of Reynoldsburg	13,510	1,774,546	\$0	\$1,750,000	\$20,695	\$3,851
City of Upper Arlington	13,764	0	\$0	\$0	\$0	\$0
City of Washington	4,188	2,968	\$0	\$0	\$0	\$2,968
City of Westerville	14,655	550,052	\$538,000	\$0	\$0	\$12,052
City of Whitehall	7,827	313,870	\$0	\$0	\$302,036	\$11,834
City of Worthington	5,761	6,523	\$0	\$0	\$0	\$6,523
Village of Brice	800	0	\$0	\$0	\$0	\$0
Village of Canal Winchester	1,859	2,216,226	\$0	\$2,215,613	\$0	\$613
Village of Groveport	1,722	1,100,501	\$0	\$1,097,226	\$0	\$3,275
Village of Harrisburg	800	0	\$0	\$0	\$0	\$0
Village of Lockbourne	800	390,000	\$0	\$390,000	\$0	\$0
Village of Marble Cliff	800	0	\$0	\$0	\$0	\$0
Village of Minerva Park	400	0	\$0	\$0	\$0	\$0
Village of New Albany	1,835	401,704	\$400,000	\$0	\$0	\$1,704
Village of New Rome	400	1,104	\$0	\$0	\$0	\$1,104
Village of Obetz	1,697	21,985	\$0	\$0	\$14,795	\$7,190
Village of Powell	2,875	0	\$0	\$0	\$0	\$0
Village of Riverlea	800	13,837	\$0	\$0	\$0	\$13,837
Village of South Bloomfield	400	0	\$0	\$0	\$0	\$0
Village of Urbancrest	800	0	\$0	\$0	\$0	\$0
Village of Valleyview	800	0	\$0	\$0	\$0	\$0
Village of West Jefferson	1,779	0	\$0	\$0	\$0	\$0
Mt Sterling	567	0	\$0	\$0	\$0	\$0
Violet Township	3,360	0	\$0	\$0	\$0	\$0
Unincorporated Franklin County	38,173	10,329,863	\$1,920,000	\$8,110,662	\$208,218	\$90,983
Delaware County	31,837	1,396,400	\$1,396,400	\$0	\$0	\$0
Fairfield County	5,147	0	\$0	\$0	\$0	\$0
Fayette County	3,044	0	\$0	\$0	\$0	\$0
Licking County	1,285	0	\$0	\$0	\$0	\$0
Ross County - other	21,559	73,350	\$0	\$0	\$73,350	\$0
Subtotal	\$577,463	\$41,710,267	\$18,072,081	\$21,684,252	\$637,714	\$1,316,220
Returns-not broken out by community						
Housing	na	\$0	na	na	na	na
COTA	na	21,896,705	21,896,705	na	na	na
Franklin County/Regional	na	50,795,054	50,795,054	0	na	na
Subtotal	\$0	\$72,691,759	\$72,691,759	\$0	\$0	na
Investments						
MORPC Transportation Planning	\$1,445,504	na	na	na	na	na
MORPC Fr. Cty CDBG/HOME Admin.	155,369	na	na	na	na	na
MORPC Ross Cty Admin	17,200	na	na	na	na	na
MORPC Infrastructure Admin	184,237	na	na	na	na	na
MORPC Energy Conservation Admin	506,000	na	na	na	na	na
Subtotal	\$2,308,310	na	na	na	na	na
GRAND TOTAL	\$2,885,773	\$114,402,026	\$90,763,840	\$21,684,252	\$637,714	\$1,316,220

*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.

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IV. SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members
Mid-Ohio Regional Planning Commission

We have audited the financial statements of Mid-Ohio Regional Planning Commission ("MORPC") as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether MORPC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of MORPC's board, management, its federal awarding agencies, state funding agencies, pass-through entities and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.



June 4, 2004

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER COMPLIANCE APPLICABLE TO EACH MAJOR FEDERAL AWARD PROGRAM AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Members
Mid-Ohio Regional Planning Commission

Compliance

We have audited the compliance of Mid-Ohio Regional Planning Commission ("MORPC") with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2003. MORPC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of MORPC's management. Our responsibility is to express an opinion on MORPC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MORPC'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 of MORPC's compliance with those requirements.

In our opinion, MORPC complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by

employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of MORPC as of and for the year ended December 31, 2003, and have issued our report thereon dated June 4, 2004. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. This schedule is the responsibility of the management of MORPC. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of MORPC's board, management, its federal awarding agencies, state funding agencies, pass-through entities and the Ohio Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.



June 4, 2004

MID-OHIO REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2003

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2003	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2003
Federal Highway Administration:							
Passed through Ohio Department of Transportation:							
FY 2002 Rideshare Program	20.205	9219/463450	472,500	1,479	1,479	-	-
FY 2003 Rideshare Program	20.205	9219/464840	564,500	35,677	422,425	386,748	-
FY 2004 Rideshare Program	20.205	465810	508,765	-	194,332	254,516	60,184
Supplemental Planning Activity	20.205	8606/465670	230,000	27,535	229,837	202,465	163
Supplemental Planning 2004	20.205	465807	230,000	-	-	42,915	42,915
STP AQ Data Collection & Evaluation	20.205	465680	125,000	2,925	125,000	122,075	-
Air Quality Awareness FY 2004	20.205	465811	184,735	-	36,029	63,873	27,844
Columbus Signal Audit & Planning	20.205	465817	240,000	-	12,058	35,933	23,875
COTMP Central OH Traffic Mgmt Program	20.205	9746/462330	331,211	106	212	106	-
Travel Model Improvement Study II	20.205	9219/462700	750,000	88,589	263,203	176,964 **	2,350
Coordinated Traveler Info	20.205	9219/463820	250,000	1,988	12,375	14,010	3,623
Franklin/Delaware Growth Management	20.205	9219/463830	40,000	2,611	15,411	12,800	-
I-270/US 33 MIS	20.205	465660	796,398	-	69,113	175,829	106,716
Total Ohio Department of Transportation				160,910	1,381,474	1,488,234	267,670
Total Federal Highway Administration				160,910	1,381,474	1,488,234	267,670
Federal Transit Administration:							
Passed through Ohio Department of Transportation:							
FY 2003	20.505	165031	1,156,403	77,007	605,713	528,706	-
FY 2004	20.505	165041	1,263,645	-	389,532	526,826	137,284
Total Ohio Department of Transportation				77,007	995,245	1,055,532	137,284
Passed through Central Ohio Transit Authority:							
North Corridor New Starts	20.500	0937S	13,154	3,605	3,605	-	-
North Corridor LRT PE	20.500	0937T	58,000	-	24,670	29,456	4,786
Total Central Ohio Transit Authority				3,605	28,275	29,456	4,786
Total Federal Transit Administration				80,612	1,023,520	1,084,988	142,080
U.S. Department of Energy:							
Passed Through Ohio Department of Development:							
Weatherization Assistance FY 2001 #138	81.042	01-138	286,347	-	(3,037)	(3,037)	-
Weatherization Assistance FY 2002 #138	81.042	02-138	336,282	6,095	-	(6,095)	-
Weatherization Assistance FY 2002 #140	81.042	02-140	349,999	(10,150)	45,226	55,376	-
Weatherization Assistance FY 2003 #140	81.042	03-140	349,999	-	299,355	287,071	(12,284)
Total Ohio Department of Development				(4,055)	341,544	333,315	(12,284)
Total U.S. Department of Energy				(4,055)	341,544	333,315	(12,284)

MID-OHIO REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2003

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2003	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2003
U.S. Department of Health and Human Services:							
Passed Through Ohio Department of Development:							
Weatherization Assistance FY 2002 #138	93.568	02-138	142,124	(20,638)	(14,566)	6,072	-
Weatherization Assistance FY 2002 #140	93.568	02-140	241,725	(13,867)	20,081	33,948	-
Weatherization Assistance FY 2002 #140	93.568	13-140	351,753	-	151,543	123,764	(27,779)
Total for CFDA 93.568				<u>(34,505)</u>	<u>157,058</u>	<u>163,784</u>	<u>(27,779)</u>
Total U.S. Department of Health and Human Services				<u>(34,505)</u>	<u>157,058</u>	<u>163,784</u>	<u>(27,779)</u>
U.S. Department of Housing and Urban Development:							
HOPE 3 Sales Proceeds	14.240	N/A	-	(75,579)	173	43,052	(32,700)
Homebuyer Counseling 2002	14.240	HC02-0398-057	20,281	-	20,281	20,281	-
Homebuyer Counseling 2003	14.240		18,667	-	-	4	4
Total CFDA 14.240				<u>(75,579)</u>	<u>20,454</u>	<u>63,337</u>	<u>(32,696)</u>
Passed through the City of Columbus:							
Community Development Block Grant	14.218		25,000		10,941	18,559	7,618
Columbus Homebuyer Counseling	14.218	DL005778	6,000	1,107	1,959	852	-
FY 2002 Columbus Hsg Advisory Bd.	14.218	DL003205	6,000	-	3,519	3,734	215
FY 2003 Columbus Hsg Advisory Bd.	14.218	DE045485	6,000	-	16,419	23,145	7,833
Total City of Columbus				<u>1,107</u>	<u>16,419</u>	<u>23,145</u>	<u>7,833</u>
Passed through Franklin County:							
Community Development Block Grant	14.218	N/A	6,000	1,979	6,000	4,021	-
FY 2002 - Housing Advisory Board	14.218	N/A	6,000	-	1,317	2,662	1,345
FY 2003 - Housing Advisory Board	14.218	N/A	53,100	-	53,100	53,100	-
FY 2002 - Single Family Rehab	14.218	N/A	72,000	-	12,800	60,814	48,014
FY 2003 - Single Family Rehab	14.218	N/A		-	73,217	120,597	49,359
Total Franklin County CDFDA #14.218				<u>1,979</u>	<u>73,217</u>	<u>120,597</u>	<u>49,359</u>
Passed through Franklin County:							
HOME Program	14.239	N/A	537,300	56,040	416,430	360,390	-
FY 2002 - Single Family Rehab	14.239	N/A	223,200	-	-	20,352	20,352
FY 2003 - Single Family Rehab	14.239	N/A		-	416,430	380,742	20,352
Total Franklin County CFDA #14.239				<u>56,040</u>	<u>416,430</u>	<u>380,742</u>	<u>20,352</u>
Passed through Ohio Department of Development through Ross County							
FY 2002 Comprehensive Housing Improvement Program	14.228	N/A	100,200	7,923	47,556	57,307	17,674
Passed through Ohio Department of Development through Delaware County							
Comprehensive Housing							

MID-OHIO REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the year ended December 31, 2003

Federal grantor / pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Program or award amount	Accrued (deferred) revenue at Jan. 1, 2003	Cash Received	Federal Expenditures	Accrued (deferred) revenue at Dec. 31, 2003
Improvement Program	14.228	N/A	40,000	-	32,078	38,130	6,052
Passed through Ohio Department of Development through City of Marysville							
FY 2003 Comprehensive Housing Improvement Program	14.228	N/A	138,800	-	-	2,599	2,599
Passed through Ohio Department of Development through City of Chillicothe							
FY 2003 Comprehensive Housing Improvement Program	14.228	N/A	110,200	-	-	1,738	1,738
Total CFDA #14.228			389,200	7,923	79,634	99,774	28,063
Total U.S. Department of Housing and Urban Development				(8,530)	606,154	687,595	72,911
Temporary Assistance for Needy Families (TANF)							
Passed Through Ohio Department of Development							
TANF Homebuyer Program	93.558	N-J-02-760-1	75,000	-	14,646	28,790	14,144
Empowerment Zone Block Grant							
Passed through the Columbus Compact Corporation							
Columbus Compact Rehab Project	14.244	NL-2002-1	500,000	(35,941)	159,630	165,226	(30,345)
Passed through Enterprise Foundation							
Community Development Block Grant Enterprise Foundation	N/A	B-02-NC-MD-0002	10,000	-	-	10,000	10,000
Total Federal Financial Assistance Program				158,491	3,684,026	3,961,932	436,397

** Includes \$7,613 of contributed capital expenditures relating to the purchase of equipment.

MID-OHIO REGIONAL PLANNING COMMISSION

NOTES TO SCHEDULE OF FEDERAL AWARDS DECEMBER 31, 2003

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial award programs of MORPC. MORPC's reporting entity 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 reported in the related federal financial statements.

MID-OHIO REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS DECEMBER 31, 2003

1. SUMMARY OF AUDITORS' RESULTS

- (a) The type of report issued on the financial statements: **Unqualified opinion**
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: **None reported**
- (c) Noncompliance which is material to the financial statements: **None**
- (d) Reportable conditions in internal control over the major program: **None reported**
- (e) The type of report issued on compliance for the major program: **Unqualified opinion**
- (f) Any audit findings which are required to be reported under section .510(a) of OMB Circular A-133: **None**
- (g) Major programs: **Highway Planning and Construction (CFDA 20.205), Weatherization Assistance for Low-Income Persons (CFDA 81.042) and Home Investments Partnership Program (CFDA 14.239)**
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$300,000**
- (i) Auditee qualified as a low-risk auditee under section .530 of OMB Circular A-133: **Yes**

2. FINDINGS RELATING TO THE GENERAL PURPOSE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

None

3. FINDINGS AND QUESTIONED COSTS RELATING TO FEDERAL AWARDS:

None



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Betty Montgomery**

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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
AUGUST 5, 2004**