

THE REGIONAL PLANNING COMMISSION
OF GREATER BIRMINGHAM

FINANCIAL STATEMENTS

FOR THE YEARS ENDED
SEPTEMBER 30, 2008 AND 2007



CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS CONSULTANTS

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MANAGEMENT DISCUSSION AND ANALYSIS

The first major requirement of GASB Statement 34 (Governmental Accounting Standards Board) is the Management Discussion and Analysis (MD&A). The purpose of an MD&A is a discussion, in laymen's terms, of current year results in comparison to the prior year.

The discussion and analysis of the Regional Planning Commission of Greater Birmingham's (the Commission) financial performance is for the Commission's financial activities for the fiscal years ending September 30, 2007 and 2008.

The Commission's financial condition has continued to improve between FY 2007 and FY 2008; the subsequent narrative explains the causes for the financial condition of the Commission.

FINANCIAL HIGHLIGHTS

- The Commission's total net assets increased by \$196,662 from FY 2007 to FY 2008, from a negative balance of \$562,529 in FY 2007 to a negative balance of \$365,867 in FY 2008.
- Total program and general revenues decreased from \$4,480,123 in FY 2007 to \$4,155,465 in FY 2008, a decrease of \$324,658 or 7%, while total program expenses increased \$505,770 from FY 2007 to FY 2008.

USING THE ANNUAL FINANCIAL STATEMENT

The Annual Financial Statement consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (pages 7-8) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

The Fund financial statements (pages 10-13) explains how these services were financed in the short term as well as what remains for future spending in FY 2008. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

Fiduciary fund financial statements (pages 14-17) include assets the Commission holds in a trustee capacity and cannot be used to finance the entity's operations.

Reporting the Commission as a Whole

The analysis of the Commission as a whole begins on page 3. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole

better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net assets and changes. The Commission's net assets, the difference between assets and liabilities, can be thought of as one way to measure financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Other non-financial factors need to be considered, such as changes in the Commission's amount of intergovernmental transfers, to assess the overall health of the Commission.

In the Statement of Net Assets and the Statement of Activities, the Commission's Governmental activities are reported, including general administration, transportation planning, traffic safety programs, human resources (Senior Services), environmental management and planning, and other community planning programs.

Reporting the Commission's Most Significant Funds

The fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the Commission as a whole. Some funds are required to be established by state law and by other federal regulation(s). The Commission's Board has also established other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for use of certain grant funds.

The Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs. Management describes the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation immediately following the fund financial statements and through footnote disclosure.

THE COMMISSION AS A WHOLE

The analysis in this section focuses on the net assets and changes in net assets, as reflected in the following condensed statements of the Commission's activities, which are all presented as governmental.

The Commission's combined net assets increased by \$196,662 during FY 2008. However, the components of net assets showed differing amounts of increases and decreases. Net assets invested in capital assets, net of related debt, decreased \$588,343.

The decrease in net assets invested in capital assets was the result of all capital assets being fully depreciated.

The Commission's total revenues decreased by approximately \$4,480,123 in FY 2007 to \$4,155,465 in FY 2008, a decrease of \$324,658 or 7%, while total program expenses increased \$505,771 from FY 2007 to FY 2008. However, individual revenue and expense components both increased and decreased by various amounts. The primary reason for the reduction in total revenues was due to projects in the Transportation program area which were primarily programmed for third parties, but have had delayed starts. It should be noted that a reduction in funds is not reflective of difficult economic times as may be normally associated with a decline in revenues. Rather RPC has elected not to spend grant funds until it is necessary to do so as a majority of our funding is eligible to be carried over from year to year.

THE COMMISSION'S FUNDS

Total governmental funds have a deficit balance of \$365,867 for the year ended September 30, 2008 compared to the deficit of \$562,529 as of September 30, 2007, or a net decrease of \$196,662 .

BUDGETS AND DEFICIT CAUSES

The budget for FY 2008 was adopted in August of 2007 and was amended several times throughout the year to reflect actual revenue streams as well as start dates for projects. Through appropriate management practices RPC came in under budget by \$4,315,474. However, as noted previously grant funds with remaining balances for FY 2007 were eligible for carryover in to FY 2008.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2008, the Commission had no funds invested in capital assets. These typically include office furniture and equipment, however these items have been fully depreciated.

Debt

In FY 2008 the Commission approved acquiring a line of credit with a bank in the amount of \$500,000 in anticipation of the fiduciary responsibility for Rideshare program coming back in-house. This function along with Air Quality fiduciary responsibility were both absorbed by Jefferson County in 2006 in an effort to provide fiscal relief to the Commission as funds were not available to cash flow these programs. While the Rideshare program was brought back into RPC during FY 2008 there has been no need to draw on the line as of yet. In FY 2006 the Commission acquired two loans totaling \$1.5 million. The first loan was a short-term working capital note in the amount of \$250,000. This was used to process payables for which the Commission was eligible to be reimbursed. The note was repaid in accordance with the terms on November 30, 2006. The second note was for \$1.25 million and used to pay debts incurred by the Commission for which it had already been reimbursed either directly from programs or through the application of the indirect rate (see the MD&A from FY 2003-FY2007 for a more detailed explanation). Additionally, \$300,000 of the proceeds was used to pay off the line of credit. The amount outstanding amount under the line of credit was \$240,000 as of September 30, 2005, but was refinanced into the long term note as of September 30, 2006. At the end of FY 2008 the Commission's current outstanding debt was \$1,015,689; which is reflective of the \$1.25 million note the Commission is servicing.

CURRENTLY KNOWN FACTS AND CONDITIONS

The Commission has continued to improve since the previous audit period. Management has continued to implement accurate and timely financial reporting including such activities as weekly management and finance meetings to discuss daily operations of the Commission. Monthly meetings with the Finance Committee and Board of Directors also review all financial activity of the Commission.

The FY 2008 financial reports are being used by management to compare budget versus actual expenses and revenues, but also by the various Commission committees, such as Program/Budget and Finance, to set policy and direction for the agency. The Board and these associated committees were not receiving adequate budgetary information prior to the first quarter of FY 2007.

The general organizational structure of the agency continues to be reexamined to ensure that the programs and staffing of the Commission fit with the agency's intended purpose and mission and that costs can be adequately covered by Commission revenues.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of our region with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

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REPORT OF INDEPENDENT AUDITORS

To the Executive Committee of the
Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

We have audited the accompanying basic financial statements of the Regional Planning Commission of Greater Birmingham ("the Commission") as of September 30, 2008 and 2007, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission and each major fund, as of September 30, 2008 and 2007, and the respective changes in financial position, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 31, 2009, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Commission's basic financial statement. The accompanying schedules of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements of the Commission. The schedules of expenditures of federal awards have been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

January 31, 2009

DiPiazza LaRocca Heeter & Co LLC

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Statements of Net Assets September 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 462,440	\$ 353,437
Receivables from Federal grantors and subgrantee agencies	<u>965,056</u>	<u>547,738</u>
Total current assets	1,427,496	901,175
Capital assets:		
Equipment, furnishings and fixtures	201,038	789,381
Accumulated depreciation	<u>(201,038)</u>	<u>(789,381)</u>
Total capital assets	-	-
Total assets	<u>\$ 1,427,496</u>	<u>\$ 901,175</u>
LIABILITIES		
Accounts payable	\$ 210,398	\$ 108,773
Accrued compensated absences	55,093	46,558
Current portion of long-term debt	111,624	104,254
Withholdings payable	15,259	43,692
Deferred revenue	<u>496,924</u>	<u>126,091</u>
Total current liabilities	889,298	429,368
Long-term debt	<u>904,065</u>	<u>1,034,336</u>
Total long-term liabilities	904,065	1,034,336
Total liabilities	<u>1,793,363</u>	<u>1,463,704</u>
NET ASSETS		
Unreserved fund deficit	<u>(365,867)</u>	<u>(562,529)</u>
Total net assets	<u>(365,867)</u>	<u>(562,529)</u>
Total liabilities and net assets	<u>\$ 1,427,496</u>	<u>\$ 901,175</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Statement of Activities
For the year ended September 30, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and <u>Contributions</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net Assets</u> <u>Governmental</u> <u>Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 1,451,163	\$ 336,903	\$ (1,114,260)
Transportation planning	1,507,248	2,303,903	796,655
Human resources	797,463	1,014,742	217,279
Other regional planning	202,929	499,917	296,988
Total government activities	<u>3,958,803</u>	<u>4,155,465</u>	<u>196,662</u>
Total primary government	<u>\$ 3,958,803</u>	<u>\$ 4,155,465</u>	<u>196,662</u>
			196,662
			<u>(562,529)</u>
			<u><u>(365,867)</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Statement of Activities
For the year ended September 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in Net Assets</u> <u>Governmental</u> <u>Activities</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental activities:			
General government	\$ 1,162,349	\$ 748,483	\$ (413,866)
Transportation planning	1,341,874	2,343,350	1,001,476
Human resources	692,388	866,235	173,847
Other regional planning	256,422	522,055	265,633
Total government activities	<u>3,453,033</u>	<u>4,480,123</u>	<u>1,027,090</u>
Total primary government	<u>\$ 3,453,033</u>	<u>\$ 4,480,123</u>	1,027,090
Change in net assets			1,027,090
Net assets beginning			(1,589,619)
Net assets ending			<u><u>\$ (562,529)</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Balance Sheet
Governmental Funds
September 30, 2008**

ASSETS	<u>General</u>	<u>Transportation</u>	<u>Human Resources</u>	<u>Other Regional Planning</u>	<u>Total Governmental Services</u>
Cash and cash equivalents	\$ 378,790	\$ -	\$ 83,650	\$ -	\$ 462,440
Receivables from Federal grantors and subgrantee agencies	868,534	38,969	24,070	33,483	965,056
Total assets	<u>\$ 1,247,324</u>	<u>\$ 38,969</u>	<u>\$ 107,720</u>	<u>\$ 33,483</u>	<u>\$ 1,427,496</u>
LIABILITIES					
Accounts payable	\$ 61,209	\$ 38,969	\$ 106,629	\$ 3,591	\$ 210,398
Current portion of long-term debt	111,624	-	-	-	111,624
Other liabilities	481,200	-	1,091	29,892	512,183
Total liabilities	<u>\$ 654,033</u>	<u>\$ 38,969</u>	<u>\$ 107,720</u>	<u>\$ 33,483</u>	<u>\$ 834,205</u>
NET ASSETS					
Unreserved fund balance	593,291	-	-	-	593,291
Total liabilities and net assets	<u>\$ 1,247,324</u>	<u>\$ 38,969</u>	<u>\$ 107,720</u>	<u>\$ 33,483</u>	<u>\$ 1,427,496</u>

Amounts reported for governmental activities in the statement of net assets are different because:
 Compensated absences of governmental activities are not financial resources; and therefore, are not reported in the funds.
 Long-term portion of debt is not a current obligation; and therefore, is not reported in the funds.
 Unreserved net assets

(55,093)
<u>(904,065)</u>
<u>\$ (365,867)</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Balance Sheet
Governmental Funds
September 30, 2007**

	<u>General</u>	<u>Transportation</u>	<u>Human Resources</u>	<u>Other Regional Planning</u>	<u>Total Governmental Services</u>
ASSETS					
Cash and cash equivalents	\$ 315,270	\$ -	\$ 38,167	\$ -	\$ 353,437
Receivables from Federal grantors and subgrantee agencies	461,921	84,002	-	1,815	547,738
Total assets	\$ 777,191	\$ 84,002	\$ 38,167	\$ 1,815	\$ 901,175
LIABILITIES					
Accounts payable	\$ 17,590	\$ 84,002	\$ 5,366	\$ 1,815	\$ 108,773
Current portion of long-term debt	104,254	-	-	-	104,254
Other liabilities	136,982	-	32,801	-	169,783
Total liabilities	\$ 258,826	\$ 84,002	\$ 38,167	\$ 1,815	\$ 382,810
NET ASSETS					
Unreserved fund balance	518,365	-	-	-	518,365
Total liabilities and net assets	\$ 777,191	\$ 84,002	\$ 38,167	\$ 1,815	\$ 901,175

Amounts reported for governmental activities in the statement of net assets are different because:
 Compensated absences of governmental activities are not financial resources, and therefore, are not reported in the funds.
 Long-term portion of debt is not a current obligation; and therefore, is not reported in the funds.
 Unreserved net assets

(46,558)
<u>(1,034,336)</u>
<u>\$ (562,529)</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2008**

	<u>General</u>	<u>Transportation Programs</u>	<u>Human Resources</u>	<u>Other Regional Planning</u>	<u>Total Governmental Services</u>
REVENUES					
Regional appropriations	\$ 339,060	\$ 255,153	\$ 271	\$ 188,843	\$ 783,327
From grantor agencies	166	1,987,052	916,251	168,547	3,072,016
Subgrantee match	-	61,699	98,220	142,527	302,446
Total revenues	<u>339,226</u>	<u>2,303,904</u>	<u>1,014,742</u>	<u>499,917</u>	<u>4,157,789</u>
EXPENDITURES					
Current					
General government	1,453,487	-	-	-	1,453,487
Transportation planning	-	1,507,248	-	-	1,507,248
Human resources	-	-	797,463	-	797,463
Other regional planning	-	-	-	202,929	202,929
Total expenditures	<u>1,453,487</u>	<u>1,507,248</u>	<u>797,463</u>	<u>202,929</u>	<u>3,961,127</u>
Excess (deficit) of revenues over expenditures	<u>(1,114,261)</u>	<u>796,656</u>	<u>217,279</u>	<u>296,988</u>	<u>196,662</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,189,187	-	-	-	1,189,187
Transfers out	-	(796,656)	(217,279)	(296,988)	(1,310,923)
Total other financing sources and uses	<u>1,189,187</u>	<u>(796,656)</u>	<u>(217,279)</u>	<u>(296,988)</u>	<u>(121,736)</u>
Net change in fund balances	74,926	-	-	-	74,926
Fund balances - beginning	518,365	-	-	-	518,365
Fund balances - ending	<u>\$ 593,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 593,291</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2007**

	General	Transportation Programs	Human Resources	Other Regional Planning	Total Governmental Services
REVENUES					
Regional appropriations	\$ 766,331	\$ 189,628	\$ 48,600	\$ 204,674	\$ 1,209,233
From grantor agencies	-	2,040,393	725,374	181,900	2,947,667
Subgrantee match	-	113,329	92,261	135,481	341,071
Total revenues	766,331	2,343,350	866,235	522,055	4,497,971
EXPENDITURES					
Current					
General government	1,121,724	-	-	-	1,121,724
Transportation planning	-	1,341,874	-	-	1,341,874
Human resources	-	-	692,388	-	692,388
Other regional planning	-	-	-	256,422	256,422
Total expenditures	1,121,724	1,341,874	692,388	256,422	3,412,408
Excess (deficit) of revenues over expenditures	(355,393)	1,001,476	173,847	265,633	1,085,563
OTHER FINANCING SOURCES (USES)					
Transfers in	1,343,340	-	-	-	1,343,340
Transfers out	-	(1,001,476)	(173,847)	(265,633)	(1,440,956)
Total other financing sources and uses	1,343,340	(1,001,476)	(173,847)	(265,633)	(97,616)
Net change in fund balances	987,947	-	-	-	987,947
Fund balances - beginning	(469,582)	-	-	-	(469,582)
Fund balances - ending	\$ 518,365	\$ -	\$ -	\$ -	\$ 518,365

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Fiduciary Net Assets
Fiduciary Funds and Similar Component Units
September 30, 2008**

	Deferred Compensation Plan	Regional Loan Fund	Total Fiduciary Net Assets
ASSETS			
Cash and cash equivalents	\$ -	300,419	\$ 300,419
Receivables from loan recipients	-	916,772	916,772
Investments	<u>439,046</u>	<u>-</u>	<u>439,046</u>
Total assets	<u>\$ 439,046</u>	<u>1,217,191</u>	<u>\$ 1,656,237</u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>15,000</u>	<u>\$ 15,000</u>
Total Liabilities	<u>-</u>	<u>15,000</u>	<u>15,000</u>
NET ASSETS			
Held in trust for pension benefits	439,046	-	439,046
Held in trust for issuing loans	<u>-</u>	<u>1,202,191</u>	<u>1,202,191</u>
Total net assets	<u>439,046</u>	<u>1,202,191</u>	<u>1,641,237</u>
Total liabilities and net assets	<u>\$ 439,046</u>	<u>1,217,191</u>	<u>\$ 1,656,237</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Fiduciary Net Assets
Fiduciary Funds and Similar Component Units
September 30, 2007**

	Deferred Compensation Plan	Regional Loan Fund	Total Fiduciary Net Assets
ASSETS			
Cash and cash equivalents	\$ -	259,635	\$ 259,635
Receivables from loan recipients	-	951,789	951,789
Investments	<u>579,256</u>	<u>-</u>	<u>579,256</u>
Total assets	<u><u>579,256</u></u>	<u><u>1,211,424</u></u>	<u><u>1,790,680</u></u>
NET ASSETS			
Held in trust for pension benefits	579,256	-	579,256
Held in trust for issuing loans	<u>-</u>	<u>1,211,424</u>	<u>1,211,424</u>
Total net assets	<u><u>\$ 579,256</u></u>	<u><u>1,211,424</u></u>	<u><u>\$ 1,790,680</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Statement of Changes in Fiduciary Net Assets Fiduciary Funds and Similar Component Units For the year ended September 30, 2008

	Deferred Compensation <u>Plan</u>	Regional Loan <u>Fund</u>	Total Fiduciary <u>Activity</u>
ADDITIONS			
Investment income:			
Net appreciation in fair value of investments	\$ (107,509)	\$ -	\$ (107,509)
Interest	-	61,823	61,823
Total additions	(107,509)	61,823	(45,686)
DEDUCTIONS			
Benefits	35,588	-	35,588
Distributions	(68,289)	-	(68,289)
Administrative expenses	-	(71,056)	(71,056)
Total deductions	(32,701)	(71,056)	(103,757)
Net change in net assets	(140,210)	(9,233)	(149,443)
Net assets- beginning	579,256	1,211,424	1,790,680
Net assets- ending	\$ 439,046	\$ 1,202,191	\$ 1,641,237

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Statement of Changes in Fiduciary Net Assets Fiduciary Funds and Similar Component Units For the year ended September 30, 2007

	Deferred Compensation <u>Plan</u>	Regional Loan <u>Fund</u>	Total Fiduciary <u>Activity</u>
ADDITIONS			
Investment income:			
Net appreciation in fair value of investments	\$ 44,972	\$ -	\$ 44,972
Interest	-	46,015	46,015
Total additions	44,972	46,015	90,987
DEDUCTIONS			
Benefits	1,322	-	1,322
Distributions	(26,478)	-	(26,478)
Administrative expenses	-	(809)	(809)
Total deductions	(25,156)	(809)	(25,965)
Net change in net assets	19,816	45,206	65,022
Net assets- beginning	559,440	1,166,218	1,725,658
Net assets- ending	\$ 579,256	\$ 1,211,424	\$ 1,790,680

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements September 30, 2008 and 2007

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

The Regional Planning Commission of Greater Birmingham ("RPC" or "the Commission") was established in 1969 by the Alabama Legislature to serve as an advisory planning agency for local municipalities and governments within Blount, Chilton, Jefferson, Shelby, St. Clair and Walker Counties. The Commission also provides technical assistance and recommendations for economic development, community development, governmental services and human resource services.

The accompanying financial statements present the Commission's operations. The Commission has no blended or discrete component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of GASB 34

In June 1999, the Governmental Accounting Standards Board (GASB) issued GASB statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments." This statement changed the reporting model for state and local governments. RPC is considered a Phase 3 government entity- with total annual revenues of less than \$10 million- and was required to adopt GASB 34 for periods beginning after June 30, 2003. Management has adopted GASB 34 as it pertains to RPC.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. *Governmental activities* are normally supported by regional appropriations, intergovernmental revenues and grants.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include charges for an indirect overhead rate that is based upon general administrative expenses. RPC *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function or segment. Regional appropriations and other items not included among program revenues are reported instead as *general revenues*.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements -- (Continued)

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement preparation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Regional appropriations are recognized as revenues in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Dues from member municipalities and counties, interest and grant revenue associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The RPC reports the following major governmental funds:

The *general fund* is the RPC's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

The *transportation program fund* is used to account for Alabama Department of Transportation Funded Unified (Transportation) Planning Work Program and Special Transportation Projects - within the following elements of the Commission's work program:

- Base Data for Planning
- Comprehensive Planning
- Transportation Planning

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement preparation (Continued)

The Federal Transit Administration, the Federal Highway Administration, and the Alabama Department of Transportation provide financing.

The *human resources fund* is used to account for the operations of several sub-elements within the Aging Services element of the Commission's work program. Financing is provided by the U.S. Department of Labor.

The human resources fund also includes human resource service administration related grants, via the Alabama Department of Human Resources (DHR), that is used to provide in-kind services for local service and delivery agencies.

The *other regional planning fund* is used to account for the operations that are not considered major programs. This includes funds received from the Appalachian Regional Commission (ARC), the Federal Economic Development Association (EDA), ADECA, and local governments.

The RPC maintains two fiduciary funds, the *regional loan fund (RLF)* and the *deferred compensation fund*. The regional loan fund was created from a bond issue by the state of Alabama, the proceeds of which were distributed equally to each of the State's planning commissions, and is used to account for funds loaned to small business for area economic development. The deferred compensation plan fund is used to account for RPC's pension fund. The fiduciary funds are not reflected in the government-wide financial statements because the resources from those funds are not available to support the RPC's own programs. RLF uses the specific identification method of creating allowances for nonperforming loans.

The RPC has no material proprietary funds for reporting purposes.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Likewise, general revenues include all regional appropriation dues from member municipalities and counties, interest and other miscellaneous receipts.

Measurement focus, basis of accounting, and financial statement preparation

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Commission pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital assets

Capital assets, which includes furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets which consists of furniture and equipment, are depreciated using the straight line method over a five year useful life.

Post Employment Healthcare Benefits

The Commission does not provide post employment healthcare except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Commission.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Commission has a standard policy for its full-time employees as to sick and vacation leave. Each employee, after the completion of one year of service, is allowed a vacation with pay at the rate of two weeks (ten working days) in any one calendar year. Upon completion of five years full-time service with the Commission, employees are allowed a vacation at the rate of three weeks (fifteen working days) per year. Upon completion of ten years full-time service with the Commission, employees are allowed a vacation at the rate of four weeks (twenty working days) per year. Upon completion of fifteen years full-time service with the Commission, employees are allowed a vacation at the rate of five weeks (twenty-five working days) per year. Earned vacation time may be allowed to accumulate. Maximum allowable accrued vacation cannot exceed six weeks (thirty working days). Employees who resign in good standing or who are separated from the service of the Commission without fault or delinquency on their part will be paid for the actual number of vacation days earned to the date of separation.

Each employee of the Commission is entitled to sick leave with pay at the rate of one day of sick leave per month of full-time service with the Commission. Unused sick leave allowances may be carried over to the succeeding months and accumulated up to ninety working days.

At September 30, 2008 and 2007, the amount of the liability for all full-time employees of the Commission for accumulated vacation was \$55,093 and \$46,558, respectively.

Budget

Because of the nature of the operations of RPC, annual appropriated operating budgets are not used as a means of governance. The financials, therefore, do not include budget versus actual comparisons.

Cost Allocation

Costs were distributed to the projects and activities by an allocation method meeting the requirements of OMB Circular A-87. As of September 30, 2008 and 2007, the indirect cost rate based on actual expenditures was 75.81% and 77.02%, respectively. As of September 30, 2008 and 2007, the fringe benefit cost rate based on actual expenditures was 54.13% and 49.02%, respectively.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates made by the Commission. These estimates affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. Elements of that reconciliation explain that compensated absences and capital assets of governmental activities are not financial resources and therefore are not reported in the funds. The details of this \$(959,158) and \$(1,080,894) difference are as follows:

	<u>2008</u>	<u>2007</u>
Compensated absences	\$ (55,093)	\$ (46,558)
Long-term debt	<u>(904,065)</u>	<u>(1,034,336)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(959,158)</u>	\$ <u>(1,080,894)</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances is different from fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of this \$121,736 and \$39,143 difference are as follows:

	<u>2008</u>	<u>2007</u>
Net increase (decrease) in fund balance total governmental funds	\$ 74,926	\$ 987,947

One element is that Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	-	(58,472)
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Also, some expenses and long-term financing sources reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, such as changes in compensated absences, which were as follows:

Change in compensated absences	(8,535)	10,025
Repayment of long-term debt	<u>130,271</u>	<u>87,590</u>
Net adjustment to governmental funds to arrive at changes in net assets of governmental activities	<u>121,736</u>	<u>39,143</u>
Changes in net assets of governmental activities	<u>\$ 196,662</u>	<u>\$ 1,027,090</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Commission places its temporary cash investments with financial institutions insured by the Federal Deposit Insurance Corporation. At times deposits may be in excess of insurance coverage limits.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the RPC's individual major funds and non-major funds are as follows:

Receivables:	<u>2008</u>	<u>2007</u>
General Fund	\$ <u>965,056</u>	\$ <u>547,738</u>
Total	\$ <u>965,056</u>	\$ <u>547,738</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 789,381	\$ -	\$ (588,343)	\$ 201,038
Less accumulated depreciation for:				
Furniture and equipment	<u>(789,381)</u>	<u>-</u>	<u>588,343</u>	<u>(201,038)</u>
Total capital assets, net of depreciation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 6 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ended September 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 789,381	\$ -	\$ -	\$ 789,381
Less accumulated depreciation for:				
Furniture and equipment	<u>(730,909)</u>	<u>(58,472)</u>	<u>-</u>	<u>(789,381)</u>
Total capital assets, net of depreciation	<u>\$ 58,472</u>	<u>\$ (58,472)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was \$0 and \$58,472 for the years ended September 30, 2008 and 2007, respectively.

NOTE 7 – LINE OF CREDIT AND LONG-TERM DEBT

In July 2006, the Commission entered into a long-term note agreement with Wachovia Bank in the amount of \$1,250,000. The long-term note is secured by personal property of the Commission. The long-term note bears interest at 1.5 percent over LIBOR (4.69 and 6.99 percent at September 30, 2008 and 2007, respectively), and is due in July 2016. The amount outstanding was \$1,015,689 and \$1,138,590 for the years ended September 30, 2008 and 2007, respectively.

During fiscal year 2008 the Commission acquired a line of credit the with an available \$500,000 limit. This line was established in anticipation of the Commission’s fiduciary responsibility of the Rideshare program. The line helps the Commission manage the related cash flow requirements of the program in house, as opposed to outsourcing the responsibility to Jefferson County, which occurred in prior years. The Commission may borrow on this line at an interest rate at the banks prime rate. When drawn upon, the loan will be secured by collateral described in the related loan document. There were no amounts outstanding under this line of credit at September 30, 2008.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Notes to Financial Statements - Continued
September 30, 2008 and 2007**

NOTE 7 – NOTES PAYABLE AND LONG-TERM DEBT (Continued)

Long-term debt is comprised as follows:

	<u>2008</u>	<u>2007</u>
Long-term note payable to bank, interest at prime plus 1 ½ percent (4.69% as of September 30, 2008), monthly installments of \$14,909 including interest, with balloon balance due July 20, 2016.	1,015,689 <u>1,015,689</u>	1,138,590 <u>1,138,590</u>
Less current portion	<u>111,624</u>	<u>104,254</u>
	<u>\$ 904,065</u>	<u>\$ 1,034,336</u>

Long-term debt matures as follows:

2009	\$ 111,624
2010	119,514
2011	127,963
2012	137,009
2013	146,695
Thereafter	<u>372,884</u>
	<u>\$1,105,689</u>

NOTE 8 - LEASES

The Commission leases office facilities with lease terms of 5 and 10 years. The future minimum lease payments are as follows:

2009	\$ 141,289
2010	144,479
2011	147,758
2012	150,713
2013	<u>76,832</u>
	<u>\$ 661,071</u>

Rent expense for 2008 and 2007 amounted to \$206,056 and \$198,305, respectively.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description

Membership in the Employees' Retirement Systems of Alabama ("the System") is mandatory for covered or eligible employees of the Commission. The system is a multiple-employer public employee retirement system that acts as a common investment and administrative agent for various state agencies and departments.

As of September 30, the employee data related to the pension plan was as follows:

	<u>2007</u>	<u>2006</u>
Retirees and beneficiaries receiving benefits, terminated plan members entitled to but not yet receiving benefits, and disabled employees receiving benefits	17	14
Annual Retirement Allowance	\$ 307,578	\$ 232,110
Number of Active Members	19	26
Annual Compensation	\$ 983,036	\$ 1,327,572

Benefits vest after ten years of creditable service. Vested employees may retire with full benefits at age sixty or after twenty-five years of service. Retirement benefits are calculated by three methods with the retiree receiving payment under the method which yields the highest monthly benefits.

The methods are (1) Minimum Guaranteed, (2) Money Purchase, and (3) Formula, of which the Formula method usually produces the highest monthly benefit. Under this method, retirees are allowed 2.0125% of their average final salary (best three of the last ten years) for each year of service. Disability retirement benefits are calculated in the same manner except that a reduction factor is computed based upon .25% for each month the member is less than age sixty or each month of service less than twenty-five years for a maximum reduction of 25%. The System also provides preretirement death benefits in the amount of the annual salary for the fiscal year preceding death.

Employees are required by statute to contribute 5 percent of their salary to the System with the Commission being required to contribute the remaining amounts necessary to fund the actuarially determined contributions to ensure sufficient assets will be available to pay benefits when due.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Status and Progress

The amount shown below as the "actuarial accrued liability" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on a going-concern basis, assess the progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers.

The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

<u>Actuarial Covered Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
September 30, 2003	\$3,377,945	\$3,624,880	\$246,935	93.2%	\$1,527,693	16.2%
September 30, 2004	\$3,499,187	\$3,841,550	\$342,363	91.1%	\$1,685,188	19.7%
September 30, 2005	\$3,661,676	\$4,346,501	\$684,825	84.2%	\$1,394,768	49.1%
September 30, 2006	\$3,797,116	\$4,643,969	\$846,853	81.8%	\$1,327,572	63.8%
September 30, 2007	\$3,814,961	\$4,424,553	\$609,592	86.2%	\$ 983,036	62.0%

The information presented above was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Funding Status and Progress (Continued)

Valuation Date	September 30, 2007
Actuarial Cost Method	Entry age
Amortization Method	Level percent open
Remaining Amortization Period	19 years
Asset Valuation Method	5 year smoothed market
Investment Rate of Return	8% per annum
Project Salary (Increase)	4.61% - 7.75%
Including Inflation at	4.50%
Cost of living adjustments	None

Employer contributions required to fund benefits are determined following a level funding approach and consist of a normal contribution determined using the "entry age normal" method and an accrued liability contribution that is expected to liquidate the accrued liability within the funding period. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

The required employer contribution rates as of September 30, was as follows:

	<u>2007</u>	<u>2006</u>
Normal cost percentage	5.34%	5.30%
Amortization of unfunded actuarial accrued liability	4.39%	4.43%
Death benefits	.15%	.15%
Administration	<u>.18%</u>	<u>.18%</u>
Total	<u>10.06%</u>	<u>10.06%</u>

Contribution Required and Contribution Made

Total contributions to the pension plan as of September 30, 2008 and 2007 was \$109,185 and \$70,977, respectively.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements - Continued September 30, 2008 and 2007

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Presented below is data for the five-year period ended September 30, 2007:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation (NPO)</u>
9/30/2003	\$34,449	100.00%	\$ 0
9/30/2004	\$79,689	100.00%	\$ 0
9/30/2005	\$98,231	100.00%	\$ 0
9/30/2006	\$87,221	100.00%	\$ 0
9/30/2007	\$71,102	100.00%	\$ 0

This information is presented in the annual report of the Retirement Systems of Alabama for the years ended September 30, 2007 and 2006.

NOTE 10 - CONTINGENT LIABILITIES

Use of federal, state locally administered federal and other grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

SUPPLEMENTAL INFORMATION

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Schedule of Expenditures of Federal Awards
For the year ended September 30, 2008**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Period</u>	<u>Federal Identification Number</u>	<u>Federal Award Amount</u>	<u>Total Funds Expended</u>
U.S. Department of Transportation Passed Through the Alabama State <u>Highway Department of Transportation:</u>					
F.W.H.A. Section 112(M)	20.205	10/01/07 - 09/30/08	PL-N8-100-050-831	1,108,784	996,589
Rideshare	20.205	04/11/06 - 12/15/07	STPBH-100039884	1,250,000	11,740
Rideshare	20.205	12/15/07 - 09/30/08	STPBH-100039883	1,300,000	598,335
Voluntary Air Quality	20.205	04/11/06 - 09/30/08	STPBH-100045574	1,400,000	98,448
Building Communities	20.205	10/01/07 - 09/30/08	4303-0545-0199-STBH 100039889-2	520,000	34,783
ALDOT-Rural Transportation Planning	20.205	10/01/07 - 09/30/08	4525-0495-0545-HPR8H-100050785	50,000	38,998
Corridor Alternative Analysis	20.500	10/03/07 - 09/30/08	Downtown University Transit Project	2,553,483	22,754
I-65 BRT (High Occupancy Corridor)	20.500	10/01/07 - 09/30/08	I-65 BRT	4,885,920	32,037
AARC(ALDOT)	20.205	04/01/08 - 09/30/08	Human Services Coord. Transp. Plan	10,000	10,000
Birmingham Jefferson County Transit Authority	20.500	08/09/07 - 09/30/08	Coordinated Human Services 5316/5317	58,809	11,472
Rideshare - Park & Ride Lots - Phase I	20.205	04/01/08 - 03/31/09	Project #100050871	250,000	3,896
			Total	<u>13,186,996</u>	<u>1,859,052</u>

Appalachian Regional Commission

Direct Program:

Local Development Districts	23.009	07/01/07 - 12/31/07	AL-0700E-C36	51,740	25,870
Local Development Districts	23.009	01/01/08 - 12/31/08	AL-0700E-C37	119,569	89,667
			Total	<u>171,309</u>	<u>115,537</u>

**U.S. Department of Commerce
Passed Through the Economic Development Administration**

Direct Program:

EDA	11.302	04/01/07 - 12/31/07	04-83-05892	39,750	13,250
EDA	11.302	01/01/08 - 12/31/10	04-83-06027	159,000	39,750
EDA w/ Water Works Board of the City of Leeds	11.302	07/19/07 - 09/30/08	04-79-05666	5,000	-
				<u>203,750</u>	<u>53,000</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Schedule of Expenditures of Federal Awards
For the year ended September 30, 2008**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Period</u>	<u>Federal Identification Number</u>	<u>Federal Award Amount</u>	<u>Total Funds Expended</u>
U.S. Department of Labor					
Passed Through the Alabama Commission of Aging:					
Senior Community Service Employment Program	17.235	07/01/07-06/30/08	80-10530-00-55	175,848	148,018
Senior Community Service Employment Program	17.235	07/01/08-06/30/09	80-10530-00-55	62,143	60,938
				<u>237,991</u>	<u>208,956</u>
Passed Through the Senior Service America, Inc.:					
Senior Community Service Employment Program	17.235	07/01/07-06/30/08	AD-16177-07-60	684,323	500,617
Senior Community Service Employment Program	17.235	07/01/08-06/30/09	AD-16177-07-60	217,132	217,132
		Total		901,455	717,749
				<u>14,701,501</u>	<u>2,954,294</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Schedule of Expenditures of Federal Awards September 30, 2008

Note to the Schedule of Expenditures of Federal Awards

BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activity of the Regional Planning Commission of Greater Birmingham (“Commission”) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non – Profit Organization*.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Executive Committee of the
Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham (“the Commission”) as of and for the year ended September 30, 2008 and have issued our report thereon dated January 31, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission’s internal control over financial reporting.

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

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the executive committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

DiPiazza LaRocca Hutter + Co LLC

January 31, 2009



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Executive Committee of the
The Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

Compliance

We have audited the compliance of the Regional Planning Commission of Greater Birmingham ("the Commission") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2008. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

In our opinion, the Commission, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2008.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the Executive Committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

DiPrasja Karacou Hester & Co. LLC

January 31, 2009

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2008

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material-weakness(es) identified _____ Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

20.205

F.W.H.A. Section 112

17.235

Senior Community Service Employment

Dollar threshold used to distinguish between type A and type B programs:

Auditee qualified as low-risk auditee? \$300,000
_____ Yes X No

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Schedule of Findings and Questioned Costs - Continued
For the Year Ended September 30, 2008**

Section II – Financial Statement Findings

No current year financial statement findings noted.

Section III – Prior Year Financial Statement Findings

No prior year financial statement findings noted.