



Dave Yost • Auditor of State



**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Clark County-Springfield Transportation Coordinating Committee  
Clark County  
3130 E. Main Street  
Springfield, Ohio 45505

To the Members and Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clark County-Springfield Transportation Coordinating Committee, Clark County, Ohio (the Committee), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Committee's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Committee's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Committee's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Area Transportation Trust Fund	Unmodified

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***Basis for Adverse Opinion on Governmental Activities***

As discussed in Note 13 to the financial statements, management has not adopted and implemented the provisions required by Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, governmental activities do not include the Committee's net pension liability, deferred inflows/outflows of resources, and pension expense related to pension on the statements nor did they provide the required note disclosure information associated with the net pension liability as required by GASB 68 and 71. Accounting principles generally accepted in the United States of America require the implementation of GASB 68 and 71 for the Committee. We cannot reasonably determine the amounts by which this departure would affect the net pension liability, deferred inflows/outflows of resources, and pension expense of the governmental activities.

***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Governmental Activities* paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Clark County – Springfield Transportation Coordinating Committee, Clark County, Ohio, as of June 30, 2015, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the major funds of the Springfield – Clark County Transportation Coordinating Committee, Clark County, Ohio as of June 30, 2015, and the respective changes in its financial position, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. As a result of our limited procedures, we believe Management's Discussion and Analysis does not conform to Governmental Accounting Standards Board guidelines, since as discussed in the *Basis for Adverse Opinion on Governmental Activities* paragraph, management has omitted net pension liability, deferred inflows/outflows of resources, and pension expense related to pension necessary to complete the tables derived from the government-wide financial statements, which is a required part of Management's Discussion and Analysis. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Management has omitted the schedules of net pension liabilities and pension contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Supplementary and Other Information*

Our audit was conducted to opine on the Committee's basic financial statements taken as a whole.

The supporting schedule of revenues and expenses and indirect costs presents additional analysis and are not a required part of the basic financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2016, on our consideration of the Committee's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Committee's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 26, 2016

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**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)**

The discussion and analysis of Clark County – Springfield Transportation Coordinating Committee's (CCSTCC) financial performance provides an overall review of CCSTCC's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at CCSTCC's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of CCSTCC's financial performance.

**Financial Highlights**

Key financial highlights for 2015 are as follows:

*Overall:*

- For governmental activities, net position decreased \$39,797 or 11.8% to \$297,677 from 2014.
- The CCSTCC had \$630,922 in expenses related to governmental activities and 93.7% of these expenses were offset by program revenues.
- The governmental activities revenues decreased in the amount of \$135,322 or 18.6% to \$591,125.
- In summary, the CCSTCC's net position decreased slightly while net activity also decreased due to less available funding from fewer programs being managed and a one-time suspension of member dues.

**Using this Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Clark County – Springfield Transportation Coordinating Committee as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole CCSTCC, presenting both an aggregate view of CCSTCC's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending.

**Reporting the CCSTCC as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains both funds used by CCSTCC to provide its program, the view of the CCSTCC as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2015"? The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets* and *liabilities/deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This method takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report CCSTCC's *net position* and changes in those assets. This change in net position is important because it tells the reader that, for CCSTCC as a whole, the *financial position* of CCSTCC has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the continued availability of grants, at the federal, state and local levels.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)  
(Continued)**

In the Statement of Net Position and the Statement of Activities, CCSTCC is presented as one activity, governmental.

- Governmental Activities – All of CCSTCC's programs deal with transportation related planning.

**Reporting CCSTCC's Funds**

*Fund Financial Statements*

The analysis of the CCSTCC's major funds begins on page 11. Fund financial reports provide detailed information about the CCSTCC's major funds. CCSTCC uses two (2) funds to account for a multitude of financial transactions and both funds are considered major funds.

**Governmental Funds:** All of CCSTCC's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of CCSTCC's general governmental 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 planning activities. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**The CCSTCC as a Whole**

**Governmental Activities**

Table 1 shows net position for fiscal years 2015 and 2014.

<b>Table 1</b>		
	<b>Governmental Activities 6/30/2015</b>	<b>Governmental Activities 6/30/2014</b>
<b>Assets:</b>		
Current and Other Assets	\$259,562	\$299,198
Capital Assets	60,925	87,929
Total Assets	320,487	387,127
<b>Liabilities:</b>		
Long-Term Liabilities	9,115	8,064
Other Liabilities	12,200	37,466
Total Liabilities	21,315	45,530
Deferred Inflows of Resources	1,495	4,123
<b>Net Position:</b>		
Net Investment Capital Assets	60,925	87,929
Restricted for Transportation Planning	105,709	76,075
Unrestricted Net Position	131,043	173,470
Total Net Position	\$297,677	\$337,474

What are CCSTCC's Revenue Sources? CCSTCC receives 100% of its revenue from operating grants and local membership contributions. Sources of these grants are federal, state and local. CCSTCC has one function, transportation planning, all revenue is used to support its mission.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)  
(Continued)**

Table 2 shows revenues and expenses for fiscal years 2015 and 2014.

<b>Table 2</b>		
	<b>2015</b>	<b>2014</b>
<b>Expenses:</b>		
<b>Transportation:</b>		
Personnel	\$431,323	\$ 484,427
Other Program Expenses	157,134	159,544
Depreciation	42,465	52,128
Total Program Expenses	630,922	696,099
<b>Program Revenues:</b>		
Federal Grants	361,331	410,242
State Grants	54,518	60,208
Local Grants	175,276	255,997
Operating Grants	591,125	726,447
Change in net position	(39,797)	30,348
Net position – July 1	337,474	307,126
Net position June 30	\$297,677	\$337,474

**CCSTCC's Funds**

Information about CCSTCC's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. The general fund had revenues of \$49,125 and expenses of \$90,501 resulting in a decrease in the fund balance of (\$41,376). The special revenue fund had revenues of \$542,000 and expenses of \$512,366 resulting in an increase in fund balance of \$29,634.

**General Fund Budgeting Highlights**

Although the CCSTCC is not required to comply with budgetary regulations in the Ohio Revised Code, they prepare one internally for quality control purposes. The CCSTCC's budget is prepared according to Ohio law and is based on accounting for certain transactions on a GAAP basis of accounting. Budgets are prepared for both funds. During the course of fiscal year 2015 the CCSTCC amended its budgets several times.

**Capital Assets**

At the end of fiscal year 2015, the CCSTCC had \$ 60,925 (net) invested in equipment and furniture.

**Long-Term Liabilities**

At June 30, 2015, CCSTCC had long-term liabilities of \$ 9,115. All long-term liabilities are for compensated absences (vacation and sick leave).

**Pensions**

During 2015, CCSTCC was unable to implement GASB Statement 68 and 71 as required because the necessary information was not available from its responsible fiscal agent – the local county government of Clark County, Ohio. The fiscal agent was unable to determine CCSTCC's portion of the county's net pension liability as of the writing of this report. Please see Note 13 for further discussion of GASB Statement 68 and 71.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)  
(Continued)**

**Current Financial Related Activities**

CCSTCC receives its funding from the Federal Highway Administration, the Federal Transit Administration, the Ohio Department of Transportation, the Ohio Public Works Commission, Clark County, the City of Springfield and the West Central Port Authority. Grants for fiscal year 2016 appear certain; however, grants for fiscal year 2017 are dependent on Federal, State and Local budgets which are facing challenges. At this time, the CCSTCC does not expect there to be significant restrictions on the future availability of fund resources.

**Contacting the CCSTCC's Financial Management**

This financial report is designed to provide our citizens, taxpayers and grantors with a general overview of CCSTCC's finances and to show CCSTCC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Scott Schmid, Transportation Director at Clark County – Springfield Transportation Coordinating Committee, Springview Government Center, 3130 E. Main Street, Springfield, Ohio 45505.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**STATEMENT OF NET POSITION  
JUNE 30, 2015**

<b>Assets:</b>	
Cash	\$138,982
Grants receivable	113,907
Prepaid Expenses	6,673
Property, plant and equipment, net of Accumulated Depreciation	60,925
Total Assets	<u>320,487</u>
<b>Liabilities:</b>	
Accounts Payable	6,485
Accrued personnel costs	5,715
<b>Long-Term Liabilities:</b>	
Due in more than one year	9,115
Total Liabilities	<u>21,315</u>
<b>Deferred Inflows of Resources:</b>	
Unavailable Grant Revenue	<u>1,495</u>
<b>Net Position:</b>	
Net Investment in Capital Assets	60,925
Restricted for Transportation Planning	105,709
Unrestricted	131,043
Total Net Position	<u><u>\$297,677</u></u>

*See notes to the basic financial statements.*

CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

**Expenses:**

**Transportation:**

Personnel	\$431,323
Other Program Expenses	157,134
Depreciation	42,465
Total Program Expenses	<u>630,922</u>

**Program Revenues:**

Federal Grants	361,331
State Grants	54,518
Local Grants	175,276
Total Program Revenues	<u>591,125</u>

Change in Net Position (39,797)

Net position - July 1, 2014 337,474

Net position - June 30, 2015 \$297,677

*See notes to the basic financial statements.*

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>General Fund</b>	<b>Area Transportation Trust Fund</b>	<b>Total</b>
<b>Assets:</b>			
Cash	\$137,487	\$1,495	\$138,982
Grants Receivable	3,000	110,907	113,907
Prepaid Expenses	2,794	3,879	6,673
Total Assets	143,281	116,281	259,562
<b>Liabilities:</b>			
Accounts Payable	60	6,425	6,485
Accrued Personnel Costs	3,063	2,652	5,715
Total Liabilities	3,123	9,077	12,200
<b>Deferred Inflows of Resources:</b>			
Unavailable Grant Revenue		1,495	1,495
<b>Fund Balances:</b>			
Non-spendable	2,794	3,879	6,673
Restricted		101,830	101,830
Unassigned	137,364		137,364
Total Fund Balance	140,158	105,709	245,867
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$143,281	\$116,281	

Amounts reported for governmental activities in the statement of net position are different because:

Capital Assets used in governmental activities are not financial resources therefore it is not reported in the funds	60,925
Long-Term Liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds	(9,115)
Net Position of governmental activities	\$297,677

*See notes to the basic financial statements.*

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<b>General Fund</b>	<b>Area Transportation Trust Fund</b>	<b>Total</b>
<b>Grant Revenues:</b>			
Federal Funds		\$361,331	\$361,331
State Funds		54,518	54,518
Local Funds	\$49,125	126,151	175,276
Total Revenues	<u>49,125</u>	<u>542,000</u>	<u>591,125</u>
<b>Expenditures:</b>			
Personnel	24,899	268,348	293,247
Other	6,576	109,603	116,179
Indirect Costs	59,026	134,415	193,441
Total Expenditures	<u>90,501</u>	<u>512,366</u>	<u>602,867</u>
Change in Fund Balances	(41,376)	29,634	(11,742)
Fund Balance July 1, 2014	181,534	76,075	
Fund Balance June 30, 2015	<u>\$140,158</u>	<u>\$105,709</u>	

The change in fund balances differ from the change in net position because:

Decreases in compensated absences (long-term liabilities) are not recognized as expenses in the entity-wide statements, but are reductions in long-term liabilities.	(1,051)
Capital assets are expensed when purchased in the fund statements; however in the entity-wide statements they are capitalized.	15,461
Depreciation expense does not require the use of current financial resources; therefore it is not reported in the funds statements.	(42,465)
Change in net position	<u><u>(\$39,797)</u></u>

*See notes to the basic financial statements.*



**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**1. DESCRIPTION OF THE CLARK COUNTY–SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE**

The Clark County – Springfield Transportation Coordinating Committee (CCSTCC) was organized in 1964 by a resolution of the Clark County Board of Commissioners to initiate and guide activities necessary for a comprehensive transportation plan in the Clark County – Springfield Ohio metropolitan region. Effectively, the Transportation Coordinating Committee appointed a committee coordinator and staffed the Clark County – Springfield Transportation Coordinating Study. The Committee is the main policy making body which establishes all non-technical policies, reviews staff proposals and approves budgets and work programs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of CCSTCC have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. CCSTCC's significant accounting policies are described below.

**A. Reporting Entity**

For financial reporting purposes CCSTCC's financial statements include all funds and component units for which the CCSTCC is financially accountable based upon criteria set forth in GASB Statements 14, 39, and 61. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the CCSTCC) are financially accountable. CCSTCC would consider an organization to be a component unit if:

1. CCSTCC appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific burdens on the CCSTCC; OR
2. The organization is fiscally dependent upon the CCSTCC; OR
3. The nature of the relationship between the CCSTCC and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the CCSTCC misleading.

For the fiscal year 2015, CCSTCC does not have any component units.

**B. Fund Accounting**

CCSTCC uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain CCSTCC functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of CCSTCC are grouped into the following generic fund types under the broad fund category governmental.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. Governmental Fund Types**

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are CCSTCC major governmental funds:

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

**Special Revenue Fund (Area Transportation Trust Fund)** – The special revenue fund is used to account for grants and other contract revenues that are legally restricted to expenditures for specified purposes.

CCSTCC has no other funds.

**C. Basis of Presentation**

**1. Government-wide Financial Statements**

The statement of net position and the statement of activities display information about CCSTCC as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations as to better identify the relationship between the government-wide statements and the statements to governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of CCSTCC's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, which identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of CCSTCC.

**2. Fund Financial Statements**

Fund financial statements report detailed information about the CCSTCC. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities/deferred inflows of resources, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For CCSTCC, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which CCSTCC receives value without directly giving equal value in return, only include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which CCSTCC must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to CCSTCC on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Cash and Cash Equivalents**

As required by Ohio Revised Code, the Clark County Auditor acts as the fiscal agent for CCSTCC and the cash is held and invested by the Clark County Treasurer. CCSTCC's assets are held in the County's cash and investment pool. At year-end, the reconciled carrying amount on the County Auditor's records for CCSTCC's cash balance was \$138,982.

**F. Inventory**

On government-wide financial statements, inventories are represented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as expenditures in the governmental fund types when purchased.

**G. Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The capitalization threshold for capital assets is \$500. Donated fixed assets are recorded at their fair market values as of the dates received. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Furniture	10 Years
Equipment	5 Years
Fixtures	5 Years
Vehicles	5 Years
Software	3 Years

**H. Compensated Absences**

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

CCSTCC's policies regarding compensated absences are determined by state laws, board policy, and/or negotiated agreements. In summary the policies are as follows:

Accumulated vested vacation pay is recorded as a liability on the balance sheet at the employee's current rate of pay. A full-time employee accumulates four point six hours of sick pay per two week pay period. Twenty-five percent of the sick pay, up to a maximum of 30 days, will be paid upon retirement after 10 years of service.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The entire compensated absence liability is reported on the government-wide financial statements using the *vesting method*.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "accrued personnel" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

**I. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources.

**J. Net Position**

Net position represents the difference between assets and liabilities/deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by CCSTCC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is restricted for grant purposes.

CCSTCC applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

**K. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control CCSTCC's management and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2015.

**L. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Indirect Costs**

Fringe benefits, payroll related and general and administrative indirect costs are invoiced at provisional rates. During the audit period the provisional rate was 136.20% per an "Indirect Cost Rate Agreement" with the Ohio Department of Transportation. A schedule of indirect cost rates is included in this report.

**N. Budget Basis**

CCSTCC prepares its budgets on the same basis of accounting as its funds statements.

**O. Deferred Outflow/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

**P. Fund Balance**

For the year ended June 30, 2015, fund balance is divided into five classifications based primarily on the extent to which CCSTCC is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

**Non-spendable** – The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

**Restricted** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**Committed** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of CCSTCC. Those committed amounts cannot be used for any other purpose unless CCSTCC removes or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – Amounts in the assigned fund balance classification are intended to be used by CCSTCC for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by CCSTCC or a CCSTCC official delegated that authority by resolution, or by State Statute.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Un-assigned** – Un-assigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

CCSTCC applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Q. Prepays**

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and expenditure is reported in the year in which services are consumed.

**3. OPERATING LEASE**

The CCSTCC leases office space from Clark County through the County Commissioners, under an operating lease expiring September 30, 2017, for the initial sum of \$31,950 per year with a minimum 3% annual increase. Lease expense for fiscal year 2015 was \$33,343.

Minimum future rental payments under the lease for fiscal years ending June 30 are follows:

2016	\$34,343
2017	35,374

**4. CAPITAL ASSETS**

Capital asset activity for the year-end June 30, 2015 was as follows:

	<b>Balance 7/1/2014</b>	<b>Addition</b>	<b>Deletion</b>	<b>Balance 6/30/2015</b>
<b>Governmental Activities:</b>				
<b>Capital Asset, being depreciated:</b>				
Furniture and Equipment	\$388,682	\$15,461	(\$14,923)	\$389,220
Total Capital Assets, being depreciated	388,682	15,461	(14,923)	389,220
<b>Less Accumulated Depreciation:</b>				
Furniture and Equipment	(300,753)	(42,465)	14,923	(328,295)
Total Accumulated Depreciation	(300,753)	(42,465)	14,923	(328,295)
Governmental Activities				
Capital Assets, Net	\$87,929	(\$27,004)	\$0	\$60,925

Depreciation expense was \$42,465. Major new asset additions included the purchase of a Dell Laptop Computer, 2 Miovision Scout Video Units and a Copystar Color Copier while the majority of deletions comprised the disposal of obsolete computers and a Panasonic Color Copier.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**5. RECEIVABLES**

Receivables on June 30, 2015, consisted of grants receivable. All receivables are considered collectible in full due to the stable condition of State and Local programs and the current fiscal year guarantee of federal funds.

**6. LONG-TERM OBLIGATIONS**

The changes in CCSTCC's long-term obligations during fiscal year 2015 were as follows:

	<b>Principal Outstanding 7/1/14</b>	<b>Additions</b>	<b>Deductions</b>	<b>Principal Outstanding 6/30/15</b>	<b>Due in One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$8,064	\$2,376	\$1,325	\$9,115	\$0-
Total Activities	<u>\$8,064</u>	<u>\$2,376</u>	<u>\$1,325</u>	<u>\$9,115</u>	<u>\$0-</u>

**7. PENSION PLAN**

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

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2015, member and employer contribution rates were consistent across all three plans. While members in state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2015 member contribution rates were 10.0% of covered payroll for members in state and local classifications. The 2015 employer contribution rate for state and local employers was 14.0% for covered payroll. CCSTCC's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended June 30, 2015, 2014, and 2013 were \$41,054, \$45,077, and \$49,278, respectively; 100 percent has been contributed for all three years.



**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**8. POST-EMPLOYMENT BENEFIT**

**Plan Description** – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost sharing-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

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

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**Funding Policy** – The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employers contributed at a rate of 14.0% of covered payroll. This is the maximum employer contributions rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post-employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code section 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The rates stated above are the contractually required contribution rates for OPERS. CCSTCC's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2015, 2014, and 2013 were \$5,865, \$6,440 and \$3,520, respectively. 100 percent has been contributed for all three years.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**8. POST-EMPLOYMENT BENEFIT (Continued)**

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

**9. RISK MANAGEMENT**

CCSTCC is exposed to various risks of loss related to torts, theft of or damage to, and destruction of assets, errors or omissions, injuries to employees and natural disasters. Clark County provides insurance coverage for CCSTCC through County policies. Clark County maintains comprehensive insurance coverage with the County Risk Sharing Authority (CORSA) for liability, property and crime insurance that covers CCSTCC. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA.

Settled claims have not exceeded this coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

**10. CONTINGENCIES**

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount or expenditures which may be disallowed by the grantor cannot be determined at this time, although CCSTCC expects such amounts, if any, to be immaterial.

**11. COST ALLOCATION PLAN**

A cost allocation plan is prepared annually by CCSTCC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining provisional allocation rates and is prepared in accordance with provisions of the Office of Management and Budget Circular (OMB) A-87 and the U.S. Department of Health and Human Services' Circular ASMB C-10. The plan is submitted to the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated provisional rates, which are used for billing purposes during the fiscal year. These provisional rates are subject to audit at the end of each fiscal year. If the actual rates are less than the provisional rates, CCSTCC must credit and / or repay any over-billed amounts within 3 months of the end of the fiscal year. Conversely, CCSTCC may recover any under-billed amounts also within 3 months after the end of the fiscal year.

Adjustments as a result of a change in the rates are recognized for financial reporting purposes at the end of the fiscal year for which they apply.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for 2015.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**11. COST ALLOCATION PLAN (Continued)**

**Fringe Benefits** – Fringe benefit costs are recorded in the general fund and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by an oversight grantor agency. The 2015 fringe benefit costs were allocated at a provisional rate 69.9% of the productive direct labor dollars. The actual fringe benefit cost rate was 72.66%.

**Indirect Costs** – Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with approved cost allocation plan, based upon a provisional rate approved by an oversight agency. The 2015 indirect costs were allocated at a provisional rate of 66.3% of direct labor dollars. The actual indirect cost rate was 75.55%.

**12. FUND BALANCES**

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which CCSTCC is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for both governmental funds are presented below:

Fund Balances at June 30, 2015:

<b>Fund Balances</b>	<b>General Fund</b>	<b>Area Transportation Trust Fund</b>	<b>Total</b>
<b>Non-spendable:</b>			
Prepaid Expenses	\$2,794	\$3,879	\$6,673
Total Non-spendable	<u>2,794</u>	<u>3,879</u>	<u>6,673</u>
<b>Restricted for:</b>			
Transportation Planning		101,830	101,830
Total Restricted		<u>101,830</u>	<u>101,830</u>
Unassigned	137,364		137,364
Total Unassigned	<u>137,364</u>		<u>137,364</u>
Total	<u>\$140,158</u>	<u>\$105,709</u>	<u>\$245,867</u>

**13. CHANGE IN ACCOUNTING PRINCIPLES**

**GASB Statement 68 and 71**

In the future, the CCSTCC plans to implement GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27* and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* which significantly revise accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the CCSTCC's actual financial condition by adding deferred inflows related to pension and net pension liability to its reported net position and while also subtracting pension-related deferred outflows.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)**

**13. CHANGE IN ACCOUNTING PRINCIPLES (Continued)**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 and 71 instead take an earning approach to pension accounting. However, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68 and 71, the net pension liability equals the CCSTCC's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus the plan's assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB notes that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the CCSTCC is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute.

A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate / lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The OPERS pension system is responsible for administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, state statute does not assign / identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and 71, the future CCSTCC's statements will be prepared on an accrual basis of accounting and will include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows / outflows.

As a result of not being able to implement GASB 68 and 71 this fiscal year, the CCSTCC is not reporting a net pension liability and deferred inflows / outflows of resources related to pension on the accrual basis of accounting. The CCSTCC is expecting to be able to implement GASB 68 and 71 next fiscal year and will restate its net position as of June 30, 2016.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**SUPPORTING SCHEDULE OF REVENUES AND EXPENSES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	1	2	3	4	5	6	7	8	Totals
	CPG/ODOT Grant	FTA 5307 Grant	OPWC	CMAQ	Westco	Clean Ohio	STP/ODOT Grant	Local and Unallocated	
<b>Grant Revenue:</b>									
Federal Funds	\$333,149			\$28,182					\$361,331
State Funds	41,644		\$12,874						54,518
Local Funds	41,644	\$63,828		4,837	\$66,078	\$2,628		(\$3,739)	175,276
	<u>416,437</u>	<u>63,828</u>	<u>12,874</u>	<u>33,019</u>	<u>66,078</u>	<u>2,628</u>		<u>(3,739)</u>	<u>591,125</u>
<b>Expenses, direct costs:</b>									
Direct Labor	135,539	24,958	5,167	3,759	26,047	1,082			196,552
Travel	3,528	1,632	7	144	483	48			5,842
Training & Meetings	7,049	250							7,299
Office Supplies					155				155
Postage	1,193		41		92	24			1,350
Maps and Reference Material									-
Project Equipment (expensed)	191								191
Advertising	3,580			21,543					25,123
Printing	893								893
Contract Services	43,880								43,880
Software & Technology	4,889			28	314				5,231
Other	5,929			1,974	382				8,285
Project Assets	8,885								8,885
	<u>215,556</u>	<u>26,840</u>	<u>5,215</u>	<u>27,448</u>	<u>27,473</u>	<u>1,154</u>			<u>303,686</u>
Direct Labor Fringe Benefits (72.66%)	98,489	18,136	3,755	2,731	18,927	786			142,824
Indirect costs (75.55%)	102,404	18,857	3,904	2,840	19,678	818			148,501
Eligible expenses charged to grant	<u>416,449</u>	<u>63,833</u>	<u>12,874</u>	<u>33,019</u>	<u>66,078</u>	<u>2,758</u>			<u>595,011</u>
Excess (deficiency) revenue over expenses	<u>(\$12)</u>	<u>(\$5)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$130)</u>	<u>\$0</u>	<u>(\$3,739)</u>	<u>(\$3,886)</u>

Maps & Reference Material = \$ 2470 in FY10 maps expensed on IS but already recorded & reimbursed back in FY10.  
 IS Direct Expenses \$ 297,271 = SSRE Direct Expenses \$ 303,686 - Project Assets \$ 8,885 + FY10 Maps expensed \$ 2470.  
 TCC has elected NOT to bill the Clean Ohio Program for its FY15 CAP extra and has made up the (deficiency) with Local funds.  
 The (deficiency) in Local Funds will be covered by previously held cash reserves.

1. Consolidated Planning Grant - FHWA PL & FTA 5303 Funds c/o ODOT PID #95219 & #97401 and Encumbrance #725163 & #727056
2. Federal Transit Authority - Section 5307 - City Springfield PO # 150496
3. Ohio Public Works Commission - c/o SCIP & LTIP programs - Control #CK00R / CKZ00
4. Congestion Mitigation & Air Quality - c/o ODOT PID #90348 & #90349
5. West Central Ohio Port Authority - per annual agreement & resolution
6. Clean Ohio Program - c/o OPWC signed agreement 08/01/07 and funded by local county governments
7. Surface Transportation Planning - NO 2015 program
8. Local & Unallocated - FY 2015 Membership Dues (only one half year per Resolution 2015-C)

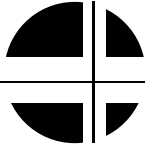
**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY**

**SUPPORTING SCHEDULE OF INDIRECT COSTS  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

Direct Labor	\$196,552
Indirect Labor	53,254
Total Labor	<u>249,806</u>
 <b>Fringe Benefit Wages:</b>	
Vacation	12,720
Holiday	11,342
Sick Leave	16,502
Miscellaneous	2,876
Fringe Benefit Wages	<u>43,440</u>
 <b>Other Fringe Benefits:</b>	
OPERS	41,054
Hospitalization	82,637
Life insurance	205
Dental insurance	1,203
Medicare	4,023
Workers compensation	3,585
Continuing education	5,371
Other Fringe Benefits	<u>138,078</u>
Total Fringe Benefits	<u>181,518</u>
 Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	 1
 <b>Indirect Costs:</b>	
Salaries - Indirect Only	53,254
Fringe Benefits for Indirect Salaries only	38,694
Personnel costs included in Indirect costs	<u>91,948</u>
 Travel	 101
Supplies	3,742
Postage	67
Maps and Referencial Materials	455
Small Office Equipment	1,029
Printing	1,978
Pro Services - FY2013 Audit Services @@	6,667
Contract Services	4,822
Software and Tech Support	329
CORSA Insurance	869
Telephone	838
Dues and Subscriptions	267
Rent	33,343
Depreciation ***	2,046
Non personnel costs included in indirect costs	<u>56,553</u>
Total Indirect Costs	<u>\$148,501</u>
 Direct Labor Fringe Benefits	 142,824
Direct Labor	196,552
Indirect Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	72.66%
Indirect Cost Rate (Total Indirect Costs / Direct Labor)	75.55%
Total Indirect Rate	<u>148.21%</u>

@@ FY2013 Audit services should have been but were not included in the FY13 indirect cost pool.  
Per discussion and agreement with the ODOT auditor, these costs have been added to the FY15 cost pool.

\*\*\* Depreciation expense included as indirect cost is only for capital assets purchased with local funds.



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**TRANSPORTATION COORDINATING COMMITTEE**

**Mark Beckdahl**  
*Finance Director, City of  
Springfield*

**Bob Bender**  
*Operations Director, Dev.  
Disabilities of Clark County*

**Randy Bridge**  
*City Manager, New Carlisle*

**Nancy Brown**  
*Trustee, Bethel Township*

**Dana Bumgardner**  
*Trustee, Pleasant Township*

**Leann Castillo**  
*National Trail Parks and  
Recreation District*

**Joyce Chilton**  
*Springfield City Commissioner*

**John Detrick**  
*Clark County Commissioner*

**David Dombrosky**  
*Director, Job & Family Services of  
Clark County  
Planning Work Program*

**Elmer Beard, Chairman**  
*Village of Enon Council Member*

**Kent Sherry, Vice Chairman**  
*Springfield Area Chamber of Commerce*

**John Burr, Vice Chairman**  
*Clark County Engineer*

**Leo Shanayda, Vice Chairman**  
*City of Springfield Engineer*

**Karen Duncan**  
*Springfield City Commissioner*

**Kathy Estep**  
*Trustee, Mad River Township*

**William George \***  
*President, Med Trans Inc.*

**Mike Groeber**  
*Citizen Member*

**Richard Henry**  
*Director, WESTCO Port Authority*

**David Herier**  
*Clark County Commissioner*

**Tim Howard**  
*Mayor, Village of Enon*

**Toni Keller**  
*Mayor, Village of South Vienna*

**Gene Kelly**  
*Clark County Sheriff  
\*denotes non-voting member*

**Carol Kennard**  
*Interim Executive Director, Clark County Park District*

**Argeri Lagos**  
*Springfield Area Chamber of  
Commerce*

**Rick Lohnes**  
*Clark County Commissioner*

**Lowell McGlothlin**  
*Mayor, City of New Carlisle*

**Chris Moore**  
*Service Director, City of  
Springfield*

**Joe Mosier**  
*Trustee, Moorefield Township*

**Matt Parrill**  
*Trans. Planning and Engineering*

**Sam Stucky**  
*Council Member, Village of South Charleston*

**Tom Troxell**  
*Trustee, Harmony Township*

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clark County – Springfield Transportation Coordinating Committee  
Clark County  
3130 E. Main Street  
Springfield, Ohio 45505

To the Members and Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Clark County – Springfield Transportation Coordinating Committee, Clark County, (the Committee) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Committee's basic financial statements and have issued our report thereon dated January 26, 2016. We issued an adverse opinion on governmental activities because the Committee did not adopt and implement Governmental Accounting Standards Board (GASB) Statement No. 68 and Statement 71.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Committee's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Committee's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Committee's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Committee's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Committee's Response to Findings***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Committee's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Committee's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

January 26, 2016

CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE  
CLARK COUNTY

SCHEDULE OF FINDINGS  
JUNE 30, 2015

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

FINDING NUMBER 2015-001

**Material Weakness**

**Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*** are applicable for periods beginning after June 15, 2014. These statements focus on an earnings approach for recognizing a liability on an accrual basis as pensions are earned by employees. GASB 68 and GASB 71 also recognize a liability for payables to a defined benefit pension plan on both the accrual basis and modified accrual basis.

The Committee is required to follow GASB 68 and GASB 71 but did not report the net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense related to pension on the statements nor did they provide the required note disclosure information associated with the net pension liability or required supplementary schedules of net pension liabilities and pension contributions.

Failure to disclose the required information per GASB 68 and GASB 71 can mislead users of the financial statements. In addition, failure to report the pension related amounts and include the disclosures as required by GASB 68 and GASB 71 resulted in an adverse opinion on the financial statements.

The Committee should read Auditor of State Bulletin 2015-006 and take action on reporting the Committee's net pension liability in the future.

**Officials' Response:**

During 2015, the CCSTCC was unable to implement the GASB Statement 68 because its fiscal agent – the local county government of Clark County, Ohio – was unable to provide the necessary breakdown of the CCSTCC's share of the county's net pension liability.

In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State statute does not assign / identify the responsible party for the unfunded portion (e.g. county-wide government vs. semi-independent county agency).

In accordance with GASB 68, it is the intent of future CCSTCC's statements to be prepared on an accrual basis of accounting and to include an annual pension expense for its proportionate share of each plan's change in net pension liability not accounted for as deferred inflows / outflows.

As a result of not being able to implement GASB 68 this fiscal year, the CCSTCC is not reporting a net pension liability and deferred inflows / outflows of resources related to pension on the accrual basis of accounting. The CCSTCC is expecting to be able to implement GASB 68 next fiscal year and will restate its net position as of June 30, 2016.

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# Dave Yost • Auditor of State

**CLARK COUNTY SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 23, 2016**