MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Dave Yost • Auditor of State

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

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MONTGOMERY COUNTY

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INDEPENDENT AUDITOR'S REPORT

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, Ohio 45402

To the 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 Miami Valley Regional Planning Commission, Montgomery County, Ohio (the MVRPC), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the MVRPC'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 MVRPC'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 MVRPC'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the MVRPC adopted 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*. We did not modify our opinion regarding this matter.

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* and *schedules of net pension liabilities and pension contributions* listed in the table of contents, 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 the required supplementary information 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. 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.

Supplementary and Other Information

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

The schedules presented on pages 37 through 43 present additional analysis and are not a required part of the basic financial statements.

The Schedule of Federal Award Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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 schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the schedules presented on pages 37 through 43 to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2016, on our consideration of the MVRPC'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. 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 MVRPC's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

May 25, 2016

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

The discussion and analysis of the Miami Valley Regional Planning Commission's (MVRPC) financial performance provides an overall review of the MVRPC's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the MVRPC's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the MVRPC's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- Total net position increased $8,474 for fiscal year (FY) 2015.
- Total assets of governmental activities decreased $41,612, primarily due to an decrease in cash.
- General revenues accounted for $469,667 or 13 percent of total revenue. Program revenues in the form of charges for services and operating grants were $3.1 million, which was slightly greater than FY2014.
- MVRPC's $3.6 million in expenses were offset by program revenues of $3.1 million, and membership dues were $467,270. Membership dues were slightly greater than FY2014.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Miami Valley Regional Planning Commission as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net position and Statement of Activities provide information about the activities of MVRPC as a whole, presenting both an aggregated view of the MVRPC's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the MVRPC's most significant funds, the General Fund and Special Revenue Grant Fund.

Reporting the MVRPC as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities answer the question "How did we do financially during 2015?" These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

During 2015, the MVRPC adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the MVRPC's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension

Governmental Accounting Standards Board is the standards-setting body for all government financial accounting and financial reports prepared in accordance with generally accepted accounting principles. The prior standard for 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 takes an earnings 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, the net pension liability equals the MVRPC'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 plan 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 noted 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 MVRPC 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 also 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 pension system is responsible for the 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, the MVRPC's statements prepared on an accrual basis of accounting 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 implementing GASB 68, the MVRPC is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from $3,366,108 to $1,822,214.

The Statement of Net Position and the Statement of Activities report the MVRPC's net position and changes in that position. This change in net position is important because it shows MVRPC's change in financial results for the year ended June 30, 2015.

In the Statement of Net Position and the Statement of Activities, MVRPC reports governmental activities. All of MVRPC's activities are considered Governmental activities. They include, but are not limited to, transportation planning, environmental planning, community planning and support services. The MVRPC does not have any business-type activities.

Table 1 provides a summary of the MVRPC's net position for Fiscal Years 2015 and 2014:

Table 1
Statement of Net Position

	2015	2014 (Restated)	Change
Assets:			
Current Assets	$3,728,776	$3,847,087	($118,311)
Capital Assets Being Depreciated (net)	106,861	30,162	76,699
Total Assets	3,835,637	3,877,249	(41,612)
Deferred Outflows of Resources – Pension	200,665	105,993	94,672
Liabilities:			
Current Liabilities	283,090	332,299	(49,209)
Net Pension Liability	1,688,013	1,649,887	38,126
Long Term Liabilities	204,856	178,842	26,014
Total Liabilities	2,175,959	2,161028	14,931
Deferred Inflows of Resources - Pension	29,655		29,655
Net Position:			
Net Investment in Capital Assets	106,861	30,162	76,699
Unrestricted	1,723,827	1,792,052	(68,225)
Total Net Position	$1,830,688	$1,822,214	$8,474

The amount by which the MVRPC's assets and deferred outflows exceeded its liabilities and deferred inflows is called net position. As of June 30, 2015, the MVRPC's net position was $1.8 million. Net position for 2014 was restated to include net pension liability. Total net position increased by $8 thousand. MVRPC's liabilities increased by $15 thousand, due to increased net pension liability, increased benefits liability and a small decrease in accounts payable.

Of the total net position amount at June 30, 2015, approximately $107 thousand was the investment in capital assets. The remaining balance of $1.7 million was unrestricted and available for future use as directed by the MVRPC Board.

Table 2 shows the changes in net position for fiscal year 2015 compared to 2014.

Table 2
Statement of Activities – Change in Net Position

	2015	2014	Change
Revenues:			
Program Revenues:			
Operating Grants	$3,090,638	$2,919,306	$171,332
General Revenues:			
Membership Dues	467,270	451,195	16,075
Miscellaneous	2,397	(138)	2,535
Total Revenues	3,560,305	3,370,363	189,942
Program Expenses			
General Government	135,936	128,104	7,832
Transportation Planning	3,128,210	3,118,923	9,287
Environmental Planning	251,842	89,996	161,846
Regional Planning	35,843	19,360	16,483
Total Expenses	3,551,831	3,356,383	195,448
Increase in Net position	$8,474	$13,980	($5,506)

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of $105,993 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of $(26,891). Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	$3,551,831
Pension expense under GASB 68	26,891
2015 contractually required contribution	110,598
Adjusted 2015 program expenses	3,689,320
Total 2014 program expenses under GASB 27	3,356,383
Increase in program expenses not related to pension	332,937

Total operating grants revenue increased by $171 thousand from 2014 primarily due to increased transportation and environmental planning expenditures.

MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 87 percent of the MVRPC's total revenue was received from intergovernmental sources during FY2015. MVRPC has been able to maintain a stable financial position through careful management of expenses. However, MVRPC is vulnerable to changes in federal and state grant programs.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Reporting the MVRPC's Most Significant Funds

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

Fund financial reports provide detailed information about the General and Special Revenue Grant Funds. The MVRPC uses two funds to account for a multitude of financial transactions. Both of these funds are considered significant.

The General Fund had total revenue of $0.7 million plus net other financing sources of $1.4 million. Expenditures totaled $2.2 million. General fund balance decreased by $69 thousand in 2015 to $3.4 million.

The Special Revenue Grant Fund provides the detail of all federal grants received by MVRPC. The Special Revenue Fund had total revenues of $2.8 million. This was intergovernmental revenues from federal grants, primarily from the U. S. Department of Transportation. The use of these funds had local net matching requirements of $327 thousand. This was provided by the General Fund as operating transfers-in.

General Fund Budgeting Highlights

The MVRPC's budget is prepared on the modified accrual basis. The most significant budgeted funds are the General Fund and the Special Revenue Grant Fund.

During the course of fiscal year 2015, the MVRPC amended its budget. The primary budget variance was unspent contract expenses and resulting revenue that will carryover to the next year.

Capital Assets

At the end of fiscal year 2015, the MVRPC had $106,861 net invested in furniture, equipment, and leasehold improvements in governmental activities. Capital asset increase is primarily due to moving to a new leased office.

Table 3 shows fiscal year 2015 capital assets balances compared to 2014:

Table 3
Capital Assets at June 30

	2015	2014
Furniture	$77,389	$69,153
Equipment	281,449	280,485
Leasehold Improvements	35,425	68,556
Less: Accumulated Depreciation	(287,402)	(388,032)
Total Capital Assets, Net	$106,861	$30,162

Overall net capital assets increased approximately $77 thousand from fiscal year 2014.

For the Future

The Miami Valley Regional Planning Commission continues to rely primarily on federal grants to finance its planning activities. The majority of these federal grants are provided by the U.S. Department of Transportation through the State of Ohio.

During 2012 the President signed the Transportation Reauthorization Act entitled "Moving Ahead for Progress in the 21st Century" (MAP-21). The President signed a continuation of the current transportation authorizations until October, 2015.

The Act is the vehicle by which federal funds are provided to Metropolitan Planning Organizations (MPO). MVRPC is the MPO for this region.

Contacting the MVRPC's Financial Management

This financial report is designed to provide our members, citizens and taxpayers, with a general overview of the MVRPC's finances and to show the MVRPC's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Director of Finance and Administration's Office at Miami Valley Regional Planning Commission, 10 North Ludlow Street, Suite 700, Dayton, Ohio 45402 or call (937) 223-6323.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

STATEMENT OF NET POSITION
JUNE 30, 2015

Assets:	
Cash	$3,246,662
Accounts Receivable	106,237
Grants Receivable	363,961
Prepaid Expenses	11,916
Capital Assets Being Depreciated (net)	106,861
Total Assets	3,835,637
Deferred Outflow of Resources	200,665
Liabilities:	
Accounts Payable	111,196
Accrued Personnel Costs	65,657
Unearned Revenues	106,237
Short and Long Term Liabilities:	
Due within one year	33,236
Due in more than one year:	
Net pension liability	1,688,013
Other amounts due in more than one year	171,620
Total Liabilities	2,175,959
Deferred Inflow of Resources	29,655
Net Position:	
Net Investment in Capital Assets	106,861
Unrestricted	1,723,827
Total Net Position	$1,830,688

See Accompanying Notes to the Basic Financial Statements.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

StTATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		Program Revenues	Net (Expenses) Revenues and Change in Net Position
Governmental Activities:	**Expenses**	**Operating Grants**	**Governmental Activities**
General Government	$135,936	$30,123	($105,813)
Transportation Planning	3,128,210	2,809,462	(318,748)
Environmental Planning	251,842	251,053	(789)
Regional Planning	35,843		(35,843)
Total Governmental Activities	$3,551,831	$3,090,638	(461,193)
General Revenues:			
Membership Dues			467,270
Miscellaneous			2,397
Total General Revenues			469,667
Changes in Net Position			8,474
Net Position, July 1, 2014 - Restated			1,822,214
Net Position, June 30, 2015			$1,830,688

See Accompanying Notes to the Basic Financial Statements.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2015

	General Fund	Special Revenue Grant Fund	Total Governmental Funds
Assets and Other Debits:			
Cash	$3,242,017	$4,644	$3,246,661
Accounts Receivable	106,237		106,237
Grants Receivable		363,961	363,961
Due From Special Revenue Grant Fund	363,961		363,961
Prepaid Expenses	11,916		11,916
Total Assets and Other Debits	3,724,131	368,605	4,092,736
Liabilities:			
Accounts Payable	111,196		111,196
Accrued Wages & Benefits	65,657		65,657
Due to General Fund		363,961	363,961
Unearned Revenues	101,593	4,644	106,237
Total Liabilities	278,446	368,605	647,051
Fund Balance:			
Non-Spendable	11,916		11,916
Assigned for Future Year's Operation - Members Dues	233,635		233,635
Unassigned	3,200,134		3,200,134
Total Fund Balance	3,445,685		3,445,685
Total Liabilities and Fund Balance	$3,724,131	$368,605	$4,092,736

See Accompanying Notes to the Basic Financial Statements.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

Total Governmental Fund Balances	$3,445,685
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	106,861
The new pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows / outflows are not reported in the governmental funds	
Net Pension Liability	(1,688,012)
Deferred Inflows / Outflows (Net)	171,010
The following liabilities are not due and payable in the current period and therefore are not reported in the Governmental funds:	
Compensated absences	(204,856)
Net Position of Governmental Activities	$1,830,688

See Accompanying Notes to the Basic Financial Statements.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

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

	General Fund	Special Revenue Grant Fund	Total Governmental Funds
Revenues:			
Grantor Agency	$227,716	$2,655,777	$2,883,493
Other	32,518	177,023	209,541
Membership Dues	467,270		467,270
Total Revenues	727,504	2,832,800	3,560,304
Expenditures:			
Personnel	1,420,596	1,628,426	3,049,022
Contractual	314,845	164,536	479,381
Other	327,840	493,753	821,593
Indirect Costs	55,308	873,357	928,665
Capital Outlays	101,296		101,296
Total Expenditures	2,219,885	3,160,072	5,379,957
Excess of Expenditures Over Revenues	(1,492,381)	(327,272)	(1,819,653)
Other Financing Sources (Uses):			
Transfers-In		327,272	327,272
Transfers-Out	(327,272)		(327,272)
Cost Allocation Plan Recoveries	1,750,550		1,750,550
Total Other Financing Sources	1,423,278	327,272	1,750,550
Change in Fund Balances	(69,103)		(69,103)
Fund Balance, July 1, 2014	3,514,788		3,514,788
Fund Balance, June 30, 2015	$3,445,685	$0	$3,445,685

See Accompanying Notes to the Basic Financial Statements.

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Change in fund balances - total governmental funds	($69,103)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	77,967
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.	
Loss on Disposal of Capital Assets	(1,268)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Increase in Compensated Absenses	(26,015)
Except for amounts reported as defered inflows / outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities	26,893
Changes in net position of total governmental activities	$8,474

See Accompanying Notes to the Basic Financial Statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Miami Valley Regional Planning Commission (MVRPC) was created in 1964 by authority granted under the Ohio Revised Code. MVRPC is a regional planning agency composed of representatives from political subdivisions, other governmental agencies, and non-governmental entities in Montgomery, Greene, Miami, Darke, and Preble Counties in Ohio. MVRPC monitors and performs planning activities affecting present and future transportation, environmental, social, economic, physical and governmental characteristics of the region.

By an agreement between MVRPC and the State of Ohio, MVRPC is designated by the State as a Metropolitan Planning Organization, with responsibility for implementing a coordinated, continuing, comprehensive transportation planning process for Greene, Miami, and Montgomery Counties and parts of northern Warren County.

On June 27, 1984, MVRPC adopted a strategic plan that prescribed the future direction the Commission would pursue, functionally and organizationally. On October 24, 1984, amendments to the Constitution and Bylaws were approved that allowed many of the strategic plan's recommendations to be implemented. The primary changes included a new mission statement, expansion of the Commission to include up to 25% non-governmental members, and the creation of a Board of Directors.

From September 2002 through February, 2004, MVRPC conducted a multi-phase Visioning and Strategic Planning Process with the goal of creating a more streamlined, efficient and responsive organization. On September 24, 2003, the new MVRPC Strategic Plan was adopted. Work then began on developing a structure more conducive to implementing the goals of the Strategic Plan. This effort resulted in the creation and adoption of a substantially revised Constitution and Bylaws on February 25, 2004, with implementation to begin on March 24, 2004. Key changes include:

B. Board of Directors

- The Commission and the Transportation Committee are merged into a newly created Board of Directors. County Engineers within the MPO Boundary now are Board members.
- All policy responsibility is vested with the merged body.
- The current weighted voting structure of the Transportation Committee is retained.
- Weighted voting can only be used by the Board of Directors. It cannot occur at the initial meeting when the request is made unless ¾ of the members present approve. Otherwise, it will occur at the next scheduled meeting.
- Only MPO members located within the MPO Boundary (Greene, Miami, Montgomery counties and part of northern Warren county) can vote on transportation issues.
- ODOT representatives and urban transit operators may be members of the Board and vote on transportation issues.
- Each county's assessment is calculated based on 25% of the total county population; all other governmental members continue to pay a per capita assessment.
- Bylaws can be amended by a majority vote and the process for amending bylaws can be changed by a 2/3 majority vote. (Neither can be subject to weighted voting.)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Executive Committee

- The previous Board of Directors is now called the Executive Committee.
- The Executive Committee is responsible for handling "routine and emergency" matters.
- Counties (the Commissioners) appoint a member, one from each member county.
- Cities and villages appoint 7 members, one of which is the largest city; one member is chosen from each of the MPO counties; and no more than 4 members may be chosen from any one county. These members are chosen annually by caucus of member cities and villages.
- Townships appoint 3 members from counties located within the MPO boundary. No more than one member from the same county may be chosen. These members are selected annually by caucus of member townships
- Non-governmental members appoint 3 members, also chosen annually by caucus.

D. Reporting Entity

Component units are legally separate organizations for which the MVRPC is financially accountable. The MVRPC is financially accountable for an organization if the MVRPC appoints a voting majority of the organization's governing board and (1) the MVRPC is able to significantly influence the programs or services performed or provided by the organization; or (2) the MVRPC is legally entitled to or can otherwise access the organization's resources; the MVRPC is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the MVRPC is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the MVRPC in that the MVRPC approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the MVRPC. The MVRPC has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

MVRPC's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about MVRPC as a whole. These statements include the financial activities of the primary government. The statement of net position presents the financial condition of the governmental activities of MVRPC at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of MVRPC governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of MVRPC, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of MVRPC.

2. Fund Financial Statements

During the year, MVRPC segregated transactions related to certain organizational functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of MVRPC at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. Fund Accounting

MVRPC uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain organizational functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of MVRPC are grouped into the governmental category.

1. Governmental Funds

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

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund contains some small non-federal grants and other funding sources that are available to MVRPC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Grant Fund – The Special Revenue Grant Fund is used to account for grant and federal contract revenue that is legally restricted to expenditures for specified purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MVRPC has no other funds within the Organization.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows, liabilities, and deferred outflows associated with the operation of MVRPC are included on the Statement of Net position.

2. Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For MVRPC, available means expected to be received within ninety days of fiscal year end. Non-exchange transactions, in which MVRPC receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which MVRPC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to MVRPC on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: grants, and investment earnings. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

E. Property, Plant and Equipment

MVRPC capitalizes at cost all purchased property and equipment costing $1,500 and greater and with a useful life greater than one year. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 4 to 10 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Donated property and equipment are recorded at fair market value on date donated. Upon sale or disposition of property and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

F. Compensated Absences

MVRPC employees are granted annual leave (vacation) and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated annual leave and employees who retire with 10 or more years of service are eligible for a percentage of accumulated sick leave up to a maximum amount. Sick leave benefits are accrued using the vesting method in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. An accrual for earned sick leave is reduced to the maximum amount allowed for employees eligible for a retirement termination payment plus a small estimate for some employees short term sick leave use that is expected to be greater than normal.

G. Revenues

General fund revenues are determined by contractual agreements with member political subdivisions represented by MVRPC. Member jurisdictions of MVRPC pay an annual membership fee based on the latest official census or federal revenue sharing population estimates. The annual assessment was as follows:

H. Member Type

Within the MPO planning area:	
- Counties - 25% of Total population	$ 0.46/capita
- Municipalities and Townships	$ 0.46/capita
Outside the MPO planning area:	
- Counties – 25% of Total population	$ 0.25/capita
- Municipalities and Townships	$ 0.25/capita
Quasi and Non-governmental bodies	$ 1,000/annual

The total revenue generated from member fees was $467,270.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Special Revenue Grant Fund

Special Revenue Grant revenue is recognized when compliance with the various grant requirements is achieved. Generally this occurs at the time expenditures are made and the grant matching requirements are met. Grant revenues received before the revenue recognition criteria have been met are reported as unearned revenues, a liability account. When the revenue recognition criteria have been met, grant revenues not yet received are reported as grants receivable, if the amounts have been billed to grantor agencies, or as earned not billed, if amounts are unbilled.

J. Carry-over Grants and Contracts

Several grants continued after June 30, 2015. The amounts available for completing grant objectives for these grant programs are summarized below by funding type. MVRPC's required match for these carry over funds is approximately $56,602.

Type	Amount
Federal Grants	$601,054
Other Grants and Contracts	65,703

K. Indirect Costs

MVRPC uses an indirect cost rate to recover administrative expenditures. The FY2015 indirect costs were billed at a provisional, of 56.4% of direct labor dollars, including fringe benefits. Also, see note 5. As discussed in note 5, fringe benefit expenditures are recovered by applying a provisional rate to all programs.

L. Fund Balances

In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the MVRPC classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Non-spendable – resources that are not in spendable form such as inventory or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators; or imposed by law through constitutional provisions (MVRPC Charter) or enabling legislation.

Committed – resources that are constrained for specific purposes that are internally imposed by the MVRPC at its highest level of decision making authority.

Assigned – resources that are intended to be used for specific purposes, but are neither restricted nor committed. The amount designated for Future Year's Operation represents 50% of the current membership dues. This amount is designated because membership period is based upon the calendar year and 100% of the dues revenue is recognized during the current fiscal year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned to specific purposes. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purpose.

The MVRPC 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 classification could be used.

M. Budgets

Budgets for the general and special revenue fund are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the MVRPC implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

3. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION (Continued)

Net Position June 30, 2014	3,366,108
Adjustments:	
Net Pension Liability	(1,649,887)
Deferred Outflows – Payments Subsequent to Measurement Date	105,993
Restated Net Position June 30, 2014	1,822,214

Other than employer contributions subsequent to the measurement date, the MVRPC made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

4. LEASE COMMITMENTS

MVRPC entered into a operating lease agreement for office space effective January 1, 2015 through December 31, 2024 and office equipment leases. The future minimum lease commitments as of June 30, 2015 are as follows:

Fiscal Year Ended	Office Space	Equipment
2016	$172,500	$7,245
2017	172,500	7,245
2018	172,500	6,051

Total rental expense for all equipment and office for the year ended June 30, 2015, was $174,702.

5. COST ALLOCATION PLAN

A cost allocation plan is prepared annually by MVRPC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the provisions of Office of Management and Budget (OMB) Circular A-87 and the U.S. Department of Health and Human Services' Circular OASC-10. During the year no new federal awards were made and therefore no grants used the new OMB Uniform Guidance. The plan is submitted to the over-site grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let MVRPC adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval. If the actual rates are less than the adjusted provisional rates, MVRPC must refund any over-billed amounts to the various grantor agencies. Conversely, MVRPC may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for FY2015.

5. COST ALLOCATION PLAN (Continued)

A. Fringe Benefits

Fringe benefit costs are recorded in the general fund and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2015 fringe benefit costs were allocated at a provisional rate of 56.0% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 57.832%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

B. Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2015 indirect costs were allocated at a provisional rate of 56.4% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 53.632%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

6. CONTINGENCIES

The use of direct federal grant funds and state administered federal grant funds is subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes that MVRPC will not incur significant losses, if any, on possible grant disallowance.

7. INTERFUND ACTIVITY

As of June 30, 2015 there was an Interfund Receivable of $363,961 in the General Fund and an Interfund Payable of $363,961 in the Special Revenue Grant Fund. The due to represents amounts for grants receivable at June 30, 2015 from various Federal and State grants.

During the year ended June 30, 2015 the General Fund transferred $327,272 to the Special Revenue Grant Fund to provide local matching funds associated with federal grant programs.

8. CASH AND INVESTMENTS

Pooled Cash

The Commission's cash balances are held in the Montgomery County Treasury. Cash is held in a demand deposit account that is insured or collateralized by Federal Depository Insurance and by collateral held by a qualified third party trustee.

9. DEFINED BENEFIT PENSION PLANS

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

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

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

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

3. The Combined Plan - a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

While members may elect the member directed plan and the combined plan, no MVRPC employees are in the OPERS combined plan; therefore the following disclosure focuses on the traditional pension plan.

B. 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.

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

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

E. Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

9. DEFINED BENEFIT PENSION PLANS (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit	Age 60 with 60 months of service credit	Age 57 with 25 years of service credit
or Age 55 with 25 years of service credit	or Age 55 with 25 years of service credit	or Age 62 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

F. The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014 and 2015, member and employer contribution rates were consistent across all three plans.

The 2014 and 2015 member contribution rates were 10.00% of covered payroll for members in state and local classifications.

The 2014 and 2015 employer contribution rate for state and local employers was 14.00% of covered payroll.

G. The MVRPC's required contributions for the periods ended June 30, 2015, 2014 and 2013 were $203,269, $203,046, and $173,616 respectively.

H. In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. This new standard requires reporting of employer's proportionate share of OPERS net pension liability and pension expense, but does not require an obligation for payment of this pension liability by employers.

9. DEFINED BENEFIT PENSION PLANS (Continued)

I. Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the MVRPC's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the MVRPC's obligation for this liability to annually required payments and MVRPC has paid the pension statutory requirement. The MVRPC cannot control benefit terms or the manner in which pensions are financed; however, the MVRPC does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

J. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The MVRPC's proportion of the net pension liability was based on the MVRPC's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	$1,688,013
Proportion of the Net Pension liability	0.013995%
Pension Expense	($26,891)

9. DEFINED BENEFIT PENSION PLANS (Continued)

At June 30, 2015, the MVRPC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources:	
Net difference between projected and actual earnings on pension plan investments	$90,067
MVRPC contributions subsequent to the measurement date	110,598
Total Deferred Outflows of Resources	$200,665
Deferred Inflows of Resources:	
Differences between expected and actual experience	$29,655
Total Deferred Inflows of Resources	$29,655

$110,598 reported as deferred outflows of resources related to pension resulting from MVRPC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	OPERS
2016	($8,834)
2017	(20,227)
2018	(22,516)
2019	
Total	($51,577)

K. Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

9. DEFINED BENEFIT PENSION PLANS (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2014, are presented below:

Actuarial Information	Traditional Pension Plan
Experience Study	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

9. DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	100.00 %	5.28 %

The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or higher than the current rate.

Employers' Net Pension Liability/(Asset)	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Traditional Pension Plan	$3,105,351	$1,688,013	$494,163

10. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

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

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 the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

10. OTHER POST-EMPLOYMENT BENEFITS (Continued)

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 require, 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 https://www.opers.org/investments/cafr.shtml, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377

B. 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 the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014 and 2015, state and local employers contributed at a rate of 14.00% of covered payroll. These are the maximum employer contribution 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 administrated in accordance with, Internal Revenue Code 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 benefits. The portion of employer contributions allocated to health care for members in the Traditional 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.

C. The MVRPC's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2015, 2014, and 2013 were $33,878, $24,781, and $36,635 respectively.

D. OPERS Board of Trustees Adopt Changes to the Health Care Plan

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.

11. CAPITAL ASSETS

	Balances at 6/30/2014	Additions	Deletions	Balances at 6/30/2015
Capital Assets:				
Furniture and Fixtures	$69,153	$30,249	($22,013)	$77,389
Equipment	280,485	35,621	(34,657)	281,449
Leasehold Improvements	68,556	35,425	(68,556)	35,425
Total Capital Assets	418,194	101,295	(125,226)	394,263
Accumulated Depreciation:				
Furniture and Fixtures	69,153	3,135	(22,013)	50,275
Equipment	250,323	18,035	(33,389)	234,969
Leasehold Improvements	68,556	2,158	(68,556)	2,158
Total Accumulated Depreciation	388,032	23,328	(123,958)	287,402
Total Capital Assets, net	$30,162	$77,967	($1,268)	$106,861

12. SHORT AND LONG TERM OBLIGATIONS

The following is a summary of long-term obligations for the year ended June 30, 2015

	Outstanding 06/30/2014	Increases	Decreases	Outstanding 06/30/2015	Amount Due Within One Year
Compensated absences	$178,842	$223,439	$197,425	$204,856	$33,236
Net Pension Liability	1,649,887	274,364	236,238	1,688,013	
Total Long Term Obligations	$1,828,729	$497,803	$433,663	$1,892,869	$33,236

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

13. PROPERTY AND INSURANCE

The Commission is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2015, the Commission contracted with The Hartford Insurance Company, Travelers and National Union Fire Insurance Company for the following insurance coverage:

Business personal property	$544,900
Computer equipment	200,000
Comprehensive general liability	4,000,000
Valuable papers	200,000
Business auto coverage	2,000,000
Public officials and employee liability	1,000,000

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

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Miami Valley Regional Planning Commission
Montgomery County

Required Supplementary Information
Schedule of MVRPC's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)
For the Calendar Year Ended December 31

	2014	2013
Agency's Proportion of the Net Pension Liability	0.013995%	0.013995%
Agency's Proportionate Share of the Net Pension Liability	$1,688,013	$1,649,887
Agency's Covered-Employee Payroll	$1,649,657	$1,627,336
Agency's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	102.3%	101.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2013 is not available.
(2) Information is presented on a calendar year basis, consistent with measurement year used by OPERS.

Miami Valley Regional Planning Commission
Montgomery County

Required Supplementary Information
Schedule of MVRPC's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Fiscal Years (1)
For the Fiscal Year Ended June 30

	FY2015	**FY2014**	**FY2013**
Contractually Required Contribution	$203,269	$203,046	$173,616
Contributions in Relation to the Contractually Required Contibution	$203,269	$203,046	$173,616
Contribution Deficiency (Excess)	$0	$0	$0
Agency Covered-Employee Payroll	$1,693,914	$1,627,336	$1,501,793
Contributions as Percentage of Covered-Employee Payroll	12%	12%	12%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2013 is not available.
(2) Information is presented on a fiscal year basis, consistent with MVRPC's financial statements.

Miami Valley Regional Planning Commission
Montgomery County

Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund

For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual General Fund	Variance Favorable (Unfavorable)
Revenues:				
Grantor Agency	$346,128	$261,457	$227,716	($33,741)
Other	56,592	184,092	32,518	(151,574)
Membership Dues	452,195	460,570	467,270	6,700
Total Revenues	854,915	906,119	727,504	(178,615)
Expenditures:				
Personnel	1,221,855	1,221,727	1,420,596	(198,869)
Contractual	435,444	426,065	314,845	111,220
Other	470,784	382,421	327,840	54,581
Indirect Costs	59,272	55,027	55,308	(281)
Capital Outlays	19,000	146,500	101,296	45,204
Total Expenditures	2,206,355	2,231,740	2,219,885	11,855
Excess of Expenditures Over Revenues	(1,351,440)	(1,325,621)	(1,492,381)	(166,760)
Other Financing Sources (Uses):				
Transfers-Out	(375,863)	(351,033)	(327,272)	23,761
Cost Allocation Plan Recoveries	1,668,788	1,615,055	1,750,550	135,495
Total Other Financing Sources	1,292,925	1,264,022	1,423,278	159,256
Change in Fund Balances	(58,515)	(61,599)	(69,103)	(7,504)
Fund Balance, July 1, 2014	3,514,788	3,514,788	3,514,788	
Fund Balance, June 30, 2015	$3,456,273	$3,453,189	$3,445,685	($7,504)

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission
Montgomery County

Governmental Funds Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - Special Revenue Grant Fund

For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Special Revenue Grant Fund	Variance Favorable (Unfavorable)
Revenues:				
Grantor Agency	$3,062,602	$2,870,187	$2,655,777	($214,410)
Other	221,019	196,287	177,023	(19,264)
Total Revenues	3,283,621	3,066,474	2,832,800	(233,674)
Expenditures:				
Personnel	1,743,836	1,690,216	1,628,426	61,790
Contractual	170,254	194,149	164,536	29,613
Other	761,870	579,859	493,753	86,106
Indirect Costs	983,524	953,283	873,357	79,926
Total Expenditures	3,659,484	3,417,507	3,160,072	257,435
Excess of Expenditures Over Revenues	(375,863)	(351,033)	(327,272)	23,761
Other Financing Sources (Uses):				
Transfers-In	375,863	351,033	327,272	(23,761)
Total Other Financing Sources	375,863	351,033	327,272	(23,761)
Change in Fund Balances				
Fund Balance, July 1, 2014				
Fund Balance, June 30, 2015	$0	$0	$0	$0

See Accompanying Notes to the Basic Financial Statements.

Miami Valley Regional Planning Commission
Montgomery County

Schedule of General Capital Assets
June 30, 2015

Capital Assets:	
Furniture and Fixtures	$77,389
Equipment	281,449
Leasehold Improvements	35,425
Total Capital Assets	394,263
Less: Accumulated Depreciation	(287,402)
Total Capital Assets, net	106,861

Investment in Capital Assets:	
General Fund	326,665
Special Revenue Funds	67,598
Total Investment in Capital Assets	394,263
Less: Accumulated Depreciation	(287,402)
Total Investment in Capital Assets, net	106,861
Less lease liability	0
Total Investments in Capital Assets, net of liability	$ 106,861

Miami Valley Regional Planning Commission
Montgomery County

Schedule of Fringe Benefit Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison For the Fiscal Year Ended June 30, 2015

Fringe Benefit Cost Pool Charges:	
Public Employees Retirement System Contributions	$237,148
Health Insurance Premiums	232,812
Life Insurance Premiums	1,290
Workers' Compensation Premiums	9,354
Unemployment Insurance	1,169
F.I.C.A. (Medicare) Expenses	23,485
Sick Leave Pay	64,877
Holiday Pay	71,012
Vacation, Personal and Other Leave	152,812
Waived Health Premiums	4,320
Employee parking	23,607
Total Fringe Benefit Cost Pool Charges	821,886
Fringe Benefit Cost Rate Base:	
Salaries	1,421,160
Final Fringe Benefit Cost Rate Computation:	
Total Fringe Benefit Cost Pool Charges	821,886
Divided By: Total Fringe Benefit Cost Rate Base	1,421,160
Equals - Final Fringe Benefit Cost Rate	0.57832
Current Year's Cost Recovery Comparison:	
Fringe Benefit Costs Recovered @ provisional rate of 56.0%	795,850
Fringe Benefits Under Recovered using Provisional Rate	(26,035)
Fringe Benefit Costs Recovered @ final rate of 57.832%	821,885
Total Fringe Benefit Cost Pool Charges	821,886
Final Over (Under) Recovered Costs	($1)

Miami Valley Regional Planning Commission
Montgomery County

Schedule of Indirect Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison
For the Fiscal Year Ended June 30, 2015

Indirect Cost Pool Charges:	
Salaries	$324,076
Allocated Fringe Benefits (57.832%)	187,420
Contractual Services	130,108
Communication and Supplies	23,432
Rents and Rentals	170,844
Utilities and phone	19,000
Travel	1,712
Maintenance and Repairs	9,107
Hardware / software agreements	25,474
Allowance for Depreciation	23,327
Audit / legal	14,164
Total Indirect Costs	928,664
Indirect Cost Rate Base:	
Direct Salaries	1,097,084
Allocated Fringe Benefits 57.832%	634,466
Total Indirect Cost Rate Base	1,731,550
Final Indirect Cost Rate Computation:	
Total Indirect Cost Pool Charges	928,664
Divided By: Total Indirect Cost Rate Base	1,731,550
Equals - Final Indirect Cost Rate	0.53632
Current Year's Cost Recovery Comparison:	
Indirect Cost Recovered @ Provisional Rates 56.4% /53.632%	
Direct Salaries	1,097,084
Direct FB @ provisional rate 56.4%	618,755
Provision rate base	1,715,839
Recovery using Provision rate base	967,733
Over (Under) recovered @ provisional basis	39,069
Indirect Cost Recovered @ Provisional Rates 56.4%	
Direct Salaries	1,097,084
Direct FB @ actual rate 57.832%	634,466
Provision rate base	1,731,550
Recovery using actual rate base @ 53.632%	928,665
Over (Under) recovered @ actual basis	$1

Miami Valley Regional Planning Commission
Montgomery County

Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, and Ohio EPA by Work Element
Fiscal Year Ended June 30, 2015

Work Element	Project Description		Personnel	Fringe Benefits	Contractual	Other	Indirect Costs	Total
601	Fed & St Legislation Regs		$7,352	$4,252			$6,224	$17,828
	Transit & HS Trans FY14		15,957	9,229		$198	13,508	38,892
	Air Quality/Access Ctrl FY15		9,000	5,205			7,618	21,823
	Transit & HS Trans FY15		23,161	13,394		(155)	19,605	56,005
		601 Total	55,470	32,080		43	46,955	134,548
602	TIP SFY 12-15 & Admendments		62,468	36,126		346	52,878	151,818
	TIP Project Management FY15		64,158	37,104		839	54,309	156,410
		602 Total	126,626	73,230		1,185	107,187	308,228
605	Transportation Database FY14		31,632	18,294		1,823	26,776	78,525
	GIS Support FY14		60,858	35,195		3,631	51,515	151,199
	Transportation Database FY15		42,370	24,503		9,811	35,866	112,550
	GIS Support FY15		56,169	32,483		6,306	47,546	142,504
	Regional GIS FY15		28,838	16,678		10	24,411	69,937
		605 Total	219,867	127,153		21,581	186,114	554,715
610	LRP Update FY14		36,078	20,865		916	30,540	88,399
	LRP Suppl Research FY14		46,751	27,037		526	39,574	113,888
	Safety Study FY15		11,044	6,387		95	9,348	26,874
	LRP Update FY15		87,063	50,350	$3,395	1,283	73,698	215,789
	LRP Suppl Research FY15		37,395	21,626	4,155	12,548	31,654	107,378
	Landuse - STP FY15		70,175	40,584		40	59,402	170,201
		610 Total	288,506	166,849	7,550	15,408	244,216	722,529
625	Public Involv. & MR FY14		10,835	6,266		2,853	9,171	29,125
	Public Involv. & MR FY15		37,913	21,926	16,263	9,510	32,093	117,705
		625 Total	48,748	28,192	16,263	12,363	41,264	146,830
665.11	Senior Trans Serv Mot Co FY15				26,327			26,327
665.2	Reg. Trans. Plan Pilot Fy14		13,050	7,547		482	11,046	32,125
		665 Total	13,050	7,547	26,327	482	11,046	58,452
667.1	WPAFB Project Support					2,735		2,735
	Van Pool - Fy2012		1,766	1,021	113,500	13	1,495	117,795
	Rideshare FY15		45,478	26,301	10,343	254,422	38,497	375,041
667.2	Enhanced AQ Forecasting				15,200			15,200
	AQ Awareness Prog FY15		22,045	12,749		176,924	18,661	230,379
667.3	Alternative Trans. FY15		35,682	20,635		7,880	30,204	94,401
	Reg. Alt. Trans Planning FY15		53,659	31,032	1,680	191	45,421	131,983
		667 Total	158,630	91,738	140,723	442,165	134,278	967,534
674.12	Public Transit Admin - FTA		1,456	842		22	1,233	3,553
	Public Trans - FTA 5310 FY15		25,814	14,929		1,839	21,851	64,433
		674 Total	27,270	15,771		1,861	23,084	67,986
695	Transportation Prog Admin FY14		34,821	20,138		2,352	29,475	86,786
	Trans Prog Admin FY15		32,952	19,057		(954)	27,894	78,949
		695 Total	67,773	39,195		1,398	57,369	165,735
901	Regional Bike Central Web Site				1,654			1,654
		901 Total			1,654			1,654
OEPA	WQ 604(b) Federal		3,848	2,225		58	3,257	9,388
	Ohio WQ FPA FY2014		11,566	6,689	149,749	7,039	9,791	184,834
	WQ 604(b) Federal Fy15		21,960	12,700		(58)	18,588	53,190
		OEPA Total	37,374	21,614	149,749	7,039	31,636	247,412
	Grand Totals		$1,043,314	$603,369	$342,266	$503,525	$883,149	$3,375,623

Miami Valley Regional Planning Commission
Montgomery County

Officers and Executive Committee
As of June 30, 2015

MVRPC Officers:

Name	Organization	Title
Jan Vargo, Chair	Huber Heights	Council Member
Carol Graff, First Vice-Chair	Beavercreek Twp.	Trustee
John O'Brien, Second Vice-Chair	Miami County	Commissioner

Executive Committee Members:

Name	Organization	Title
John Beals	Centerville	Council Member
Michael Beamish	Troy	Mayor
Janet Bly	Miami Conservancy District	General Manager
Judy Dodge	Montgomery County	Commissioner
Bob Glaser	Greene County	Commissioner
Arthur Haddad	Troy Chamber of Commerce	Chairman
Rap Hankins	Trotwood	Council Member
Jerome Hirt, Sr.	Bethel Twp.	Trustee
Mary Johnson	Jefferson Twp.	Trustee
Matt Joseph	Dayton	Commissioner
Dan Kirkpatrick	Fairborn	Mayor
Chris Mucher	Miami Twp.- GRE	Trustee
Donald Patterson, Jr.	Kettering	Mayor
Woodrow Stroud	Greene County Transit Board	Board Member
William Vogt	Piqua	City Commissioner
Chrisopher Day	Preble County	Commissioner

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MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Grant Number or Description**	**Federal CFDA Number**	**Expenditures**
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through Ohio Environmental Protection Agency			
ARRA - Water Quality Management Planning	604(b) Water Quality Planning Facility Planning Area	66.454	$62,577
Total U.S. Environmental Protection Agency			62,577
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Transportation			
Highway Planning and Construction			
	Alternative Transportation and Air Quality Awareness	20.205	275,025
	Consolidated Planning Fiscal Year 2015	20.205	826,306
	Consolidated Planning Fiscal Year 2014	20.205	538,472
	Landuse Transportation Plans	20.205	136,161
	Rideshare	20.205	375,041
	Van Pool	20.205	117,795
	Supplemental Planning	20.205	230,713
	Regional Transportation Planning Pilot	20.205	25,700
Total Highway Planning and Construction			2,525,213
Transit Services Program Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	Public Transit Human Services Transportation Plan	20.513	64,433
Job Access and Reverse Commute Program	Public Transit Human Services Transportation Plan	20.516	2,166
New Freedom Program	Public Transit Human Services Transportation Plan	20.521	1,388
Total Transit Services Program Cluster			67,987
Total U.S. Department of Transportation			2,593,200
Total Federal Awards Expenditures			$2,655,777

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Miami Valley Regional Planning Commission's (the Commission's) federal award programs' disbursements. The Schedule has been prepared on the accrual basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Commission to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Commission has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, Ohio 45402

To the 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 Miami Valley Regional Planning Commission, Montgomery County, (the MVRPC) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the MVRPC's basic financial statements and have issued our report thereon dated May 25, 2016, wherein we noted the MVRPC adopted new accounting guidance in 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*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the MVPRC'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 MVRPC'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 MVRPC'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 MVRPC'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*.

MVPRC's Response to Findings

The MVPRC's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the MVRPC'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 MVRPC's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the MVRPC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

May 25, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, Ohio 45402

To the Board of Directors:

Report on Compliance for* the *Major Federal Program

We have audited the Miami Valley Regional Planning Commission's (the MVRPC) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Miami Valley Regional Planning Commission's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the MVRPC's major federal program.

Management's Responsibility

The MVRPC's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the MVRPC's compliance for the MVRPC's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the MVRPC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances

We believe our audit provides a reasonable basis for our compliance opinion on the MVRPC's major program. However, our audit does not provide a legal determination of the MVRPC's compliance.

Opinion on the Major Federal Program

In our opinion, the Miami Valley Regional Planning Commission complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2015.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

Report on Internal Control Over Compliance

The MVRPC's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the MVRPC's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the MVRPC's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

May 25, 2016

MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Highway Planning and Construction (CFDA # 20.205)
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

Financial Statement Errors

FINDING NUMBER 2015-001

MATERIAL WEAKNESS

Government Accounting Standards Board (GASB) statement number 68 paragraph 36 provides, in part, that in financial statements prepared using the current financial resources measurement focus and modified accrual basis of accounting, a net pension liability should be recognized to the extent the liability is normally expected to be liquidated with expendable available financial resources.

FINDING NUMBER 2015-001
(Continued)

The MVRPC included net pension liability, related deferred inflows and outflows of resources, pension expense, and restatement of beginning balance on the governmental funds financial statements which are presented on the modified accrual basis of accounting. The net pension liability is not expected to be liquidated with expendable available financial resources therefore an audit adjustment was required to remove net pension liability and related line items from the governmental funds statements. The following misstatements were adjusted to the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balances and the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund:

- Net Pension Liability was overstated $1,688,013
- Deferred Inflows of Resources: Pension was overstated $29,655
- Deferred Outflows of Resources: Pension was overstated $200,666
- Pension Expense was understated $26,892
- Opening Fund Balance was understated $1,543,894

The MVRPC should establish and implement procedures to review its annual financial report to verify that applicable accounting standards are properly implemented. Failure to review the annual financial report could result in materially misstated financial statements and misleading financial information being used to make financial decisions.

Official's Response:

MVRPC procedures do include financial statement report reviews, and in fact we did multiple reviews of our reports in preparation of FY2015 statements. In preparation of a new GASB 68 change, we did prepare the modified accrual statements correctly, but when we reviewed the Auditor of State Q&A again, we misinterpreted these and as a result made a change that resulted in this error.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

MIAMI VALLEY REGIONAL PLANNING COMMISSION

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 14, 2016

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