

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

***BASIC FINANCIAL STATEMENTS
(AUDITED)***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2016***

JOTIKA SHETTY, EXECUTIVE DIRECTOR



Dave Yost • Auditor of State

Commission Members
Richland County Regional Planning Commission
35 North Park Street
Mansfield, Ohio 44902

We have reviewed the *Independent Auditor's Report* of the Richland County Regional Planning Commission, Richland County, prepared by Julian & Grube, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Richland County Regional Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 2, 2017

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**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

Richland County Regional Planning Commission
35 N. Park Street
Mansfield, Ohio 44902

To the Commission Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Richland County Regional Planning Commission'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 Richland County Regional Planning Commission'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 Richland County Regional Planning Commission's internal control. Accordingly, we express no such 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richland County Regional Planning Commission, Richland County, Ohio, as of June 30, 2016, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* 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.

Other Information

We did not subject the Other Information - Schedule of Expenses by Work Element on page 30 or the Statement of Direct Labor, Fringe Benefits and General Overhead on pages 31 - 32 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 December 21, 2016, on our consideration of the Richland County Regional Planning Commission'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 Richland County Regional Planning Commission's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 21, 2016

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

The management's discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 2016. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole. Readers should also review the notes to the financial statements and the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- The net position of the Commission remained stable with fiscal year 2016 increasing by \$14,233.
- The Commission's assets increased \$29,296, which represents an 11.15% increase from fiscal year 2015. The increase is associated with the increase in cash on hand and receivables.
- Deferred outflows of resources increased \$173,617 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension liability.
- Total liabilities increased by \$145,862 which is 25.65% over the amount of liabilities stated in fiscal year 2015. The components of this increase in liabilities is associated with increases in accounts payable, accrued wages and benefits and net pension liability.
- Deferred inflows of resources increased by \$42,818 from fiscal year 2015.
- Operating revenues increased by \$142,506, which represents a 15.37% increase primarily due to an increase in the Transportation Coordination program.
- Total operating expenses increased by \$154,050 or 17.09%, due to the increased costs associated with the Transportation Coordination program.

Using this Annual Financial Report

This annual report consists of three parts; the Management's Discussion and Analysis, the Basic Financial Statements and the Notes to the Basic Financial Statements. The Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Statement of Net Position

The Statement of Net Position looks at how well the Commission has performed financially from inception through June 30, 2016. This Statement includes all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The following schedule provides a summary of the Commission's Statement of Net Position for fiscal years ended June 30, 2016 and June 30, 2015:

	Net Position	
	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
Assets		
Current assets	\$268,715	\$234,702
Noncurrent assets	<u>23,237</u>	<u>27,954</u>
Total assets	<u>291,952</u>	<u>262,656</u>
Deferred outflows of resources	<u>222,893</u>	<u>49,276</u>
Liabilities		
Current liabilities	63,348	51,923
Long-term liabilities		
Compensated absences benefits	48,517	44,536
Net pension liability	<u>602,641</u>	<u>472,185</u>
Total long-term liabilities	<u>651,158</u>	<u>516,721</u>
Total liabilities	<u>714,506</u>	<u>568,644</u>
Deferred inflows of resources	<u>51,838</u>	<u>9,020</u>
Net position		
Net investment in capital assets	23,237	27,954
Restricted for - special vision project	-	2,738
Unrestricted (deficit)	<u>(274,736)</u>	<u>(296,424)</u>
Total net position (deficit)	<u><u>(\$251,499)</u></u>	<u><u>(\$265,732)</u></u>

During 2015, the Commission 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 Commission'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.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 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 Commission'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 Commission 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 Commission's statements 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 Commission is reporting a net pension liability and deferred inflows/outflows of resources related to pension.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Net position remained stable with a \$14,233 increase; unrestricted net position increased \$21,688 while net investment in capital assets decreased by \$4,717. An additional asset category was added in fiscal year 2010, that of "Restricted for Special Vision Project." This category held Vision Project funds that were dispersed during fiscal year 2009. During fiscal year 2016 all remaining funds were expended and the Commission no longer holds funds in reserve for the Vision Project.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating and non-operating activities for the fiscal year ended June 30, 2016. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Position for fiscal years ended June 30, 2016 and June 30, 2015.

Change in Net Position

Operating Revenues	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
Federal	\$268,595	\$253,903
State	33,574	31,738
Local Governments	187,964	91,977
Coordination Revenue	463,593	340,720
GIS	23,691	25,280
Local Reimbursements	90,644	176,235
Other	1,415	7,117
Total Operating Revenue	<u>1,069,476</u>	<u>926,970</u>
 Operating Expenses		
Salaries & Wages	370,013	411,518
Employee Benefits	206,299	135,739
Staff Expenses	11,866	9,318
Equipment & Supplies	22,346	17,121
Contractual Services	11,643	11,075
Occupancy and Other	32,588	31,873
Coordination Service	394,305	278,280
Depreciation	6,183	5,938
Bad Debt	-	331
Total Operating Expense	<u>1,055,243</u>	<u>901,193</u>
 Change in Net Position	<u>14,233</u>	<u>25,777</u>
Net Position at Beginning of Year	<u>(265,732)</u>	<u>(291,509)</u>
Net Position at End of Year	<u><u>(\$251,499)</u></u>	<u><u>(\$265,732)</u></u>

Revenues increased by \$142,506. There was a \$122,873 increase in the revenues of the Coordination Program in fiscal year 2016. Operating expenses increased by \$154,050 due mainly to an increase in the Coordination Program. The actual increase in the expenses of the coordination program was \$116,025, while the remaining expense categories had a total increase of \$38,025.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Capital Assets

As of June 30, 2016, the Commission had capital assets of \$23,237 invested in furniture and equipment. This figure is a \$4,717 decrease compared to the amount presented for fiscal year 2015. See Note 3 for additional information on capital assets.

Current Financial Issues

The largest portion of the Commission's budget is associated with its transportation planning program. The Federal Transportation legislation must be renewed every six (6) years; however, it is seemingly never renewed on schedule. It often goes forward on a continuing resolution, creating some uncertainty about the level of funding to be expected.

Funds are allocated to the Commission from various local sources, including county, municipal, township sources and the county engineer. A portion of the local funding is used to provide the required 10% local match for the transportation planning program. The balance supports local projects and planning initiatives, and costs that are ineligible for inclusion in the approved Cost Allocation Plan (CAP).

Special Financial Management Notes for Fiscal Year 2016

- 1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For fiscal year 2016, the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2016	Actual FY 2016
Fringe Benefit Rate	59.11%	55.52%
Indirect Cost Rate	65.33%	61.53%
Total Overhead Cost Rate	124.44%	117.05%

- 2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A new account was established during fiscal year 2008 identified as "6300 · Sick Payable on Retirement" and amounts are entered towards potential retirements between fiscal year 2011 and fiscal year 2017. The proper methodology for estimating this liability was finalized with the fiscal year 2009 Audit. A total of \$11,929 was booked in fiscal year 2016. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

- 3) The Commission incorporated "Program Assets" into its financial system several years prior to this fiscal year based on the recommendations of an extensive audit of its financial management and compliance procedures with Federal and State regulations and guidelines. This audit was conducted by the Ohio Department of Transportation of the Commission in its role as the Metropolitan Planning Organization (MPO.) Program assets are those pieces of capital equipment that are purchased entirely from specific program funds because usage is devoted to that project. A typical example is traffic counting equipment being purchased using transportation planning funds.

- 4) The Vision Project operated through the Commission for a number of years as a special non-operating fund. The Vision Project facilitated projects or programs, the Commission paid the costs, with reimbursement coming from vision funds held by the Richland County Foundation. During Fiscal Year 2009, the Vision Project discontinued its active phase, and the remaining funds were allocated to appropriate projects. A portion of the funds were allocated toward the future costs of reprinting an emergency preparedness booklet. All remaining funds related to the Vision Project were expended during fiscal year 2016.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Executive Director, Richland County Regional Planning Commission, 35 North Park Street, Suite 230, Mansfield, OH 44902, 419-774-5684.

BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2016

Assets:	
Current assets:	
Cash	\$ 74,555
Receivables:	
Federal.	80,401
State.	11,280
Local government	47,194
Coordination	52,455
Other.	2,830
	<hr/>
Total current assets.	268,715
Noncurrent assets:	
Capital assets:	
Depreciable capital assets, net.	23,237
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Total assets	291,952
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Deferred outflows of resources:	
Pension - OPERS	222,893
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Liabilities:	
Current liabilities:	
Accounts payable.	41,328
Accrued wages and benefits	19,082
Intergovernmental payable	2,938
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Total current liabilities	63,348
Noncurrent liabilities:	
Compensated absences payable.	48,517
Net pension liability.	602,641
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Total noncurrent liabilities	651,158
	<hr/>
Total liabilities	714,506
	<hr/>
Deferred inflows of resources:	
Pension - OPERS	51,838
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Net position:	
Investment in capital assets	23,237
Unrestricted (deficit).	(274,736)
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Total net position (deficit)	\$ (251,499)
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating revenues:	
Intergovernmental:	
Federal	\$ 268,595
State	33,574
Local governments.	187,964
Charges for services:	
Coordination.	463,593
GIS	23,691
Local	90,644
Other	1,415
Total operating revenues	<u>1,069,476</u>
Operating expenses:	
Salaries and wages	370,013
Employee benefits	206,299
Staff expenses	11,866
Equipment	6,638
Supplies	15,708
Contractual services	11,643
Occupancy and other	32,588
Coordination service.	394,305
Depreciation	6,183
Total operating expenses	<u>1,055,243</u>
Change in net position	14,233
Net position (deficit) at beginning of year . .	<u>(265,732)</u>
Net position (deficit) at end of year.	<u><u>\$ (251,499)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Cash flows from operating activities:	
Cash received from federal sources	\$ 232,323
Cash received from state sources	41,747
Cash received from local sources	195,145
Cash received from coordination	462,670
Cash received from other operating revenues.	111,709
Cash payments to employees for services	(565,305)
Cash payments to suppliers for goods and services	(467,481)
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Net cash received in operating activities	10,808
Cash flows from capital and related financing activities:	
Acquisition of capital assets.	(1,466)
	<hr/>
Net increase in cash.	9,342
Cash at beginning of year	65,213
Cash at end of year.	\$ 74,555
	<hr/> <hr/>
Reconciliation of operating income to net cash received in operating activities:	
Operating income	\$ 14,233
Adjustments:	
Depreciation	6,183
(Increase) in assets and deferred outflows:	
Accounts receivable	(24,671)
Deferred outflows	(173,617)
Increase in liabilities and deferred inflows:	
Accounts payable	4,056
Accrued wages and benefits	6,388
Intergovernmental payable.	981
Compensated absences payable	3,981
Net pension liability	130,456
Deferred inflows	42,818
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Net cash received in operating activities	\$ 10,808
	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - DESCRIPTION OF THE ENTITY

The Richland County Regional Planning Commission (the "Commission") was organized in 1959 under Section 713.21 of the Ohio Revised Code to promote land use and transportation planning. The Commission provides services for the benefit of the local governments and operates under the control of the Planning Commission, which is the legislative Commission, comprised of representatives from political subdivisions and private businesses in Richland County.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Reporting Entity*", as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*", the Commission is not considered part of the Richland County financial reporting entity. There are no agencies or organizations for which the Commission is considered the primary government. Accordingly, the Commission is the sole organization of the reporting entity.

The Commission maintains its own set of accounting records. These financial statements were prepared from the accounts and financial records of the Commission and, accordingly, these financial statements do not present the financial position or results of operations of Richland County.

The accompanying financial statements have been designed to facilitate an understanding of the financial position and results of operations of the Commission. The activity of the Commission is determined by an overall work program which is approved by the Commission's Board and the Ohio Department of Transportation. All revenue and related costs are accounted for on a project basis. The financial information contained in these statements is the responsibility of the Commission.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by its measurement focus. Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflow of resources, liabilities and deferred inflow of resources are included on the Statement of Net Position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Basis of accounting refers to when revenues and expenses are recognized in the financial records and reported in the financial statements. The Commission's financial statements are prepared using the accrual basis of accounting. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from non-exchange transactions, in which the Commission receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Commission must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. Expenses are recognized at the time they are incurred.

A deferred inflow of resources is an acquisition of net assets by the Commission that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net assets by the Commission that is applicable to a future reporting period.

C. Cash Deposits

As required by Section 713.21, Ohio Revised Code, the Commission must deposit all receipts in the Richland County Treasury. The County Treasurer maintains a cash and investment pool used for all County and Commission funds. The Commission has no other cash deposits or investments and does not receive interest income on its cash balances held in the County Treasury.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment by Surety Company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

D. Investments

The Ohio Revised Code does not provide the Commission the power to make or hold investments other than the deposits in the Richland County Treasury explained above.

E. Capital Assets and Depreciation

Furniture and equipment items are stated at cost and are depreciated on the straight-line method over their estimated useful lives that range from three to twenty years. Donated furniture and equipment is recorded at fair market value on the date donated. Upon sale or disposition of furniture and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Indirect Costs and Fringe Benefits

Indirect costs are computed in accordance with OMB Circular A-87 under a cost allocation plan approved by the Ohio Department of Transportation. The Commission utilizes the Provisional Method to calculate over/ (underpayments) by the Ohio Department of Transportation. Under this method, an estimated or temporary overhead rate is calculated for the fiscal year. This rate is used for funding, interim reimbursement, and reporting indirect costs on Federal awards for the period. At the end of the fiscal year, an actual indirect cost rate is calculated. The entity then invoices or reimburses each funding agency for any under or over recovery. Under this method, there is no carry forward provision.

G. Budgetary Accounting

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

In December or January, the Commission receives a preliminary indication of the funding mark from the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), through the Ohio Department of Transportation (ODOT).

In January and February the Commission begins drafting the Overall Work Program (OWP) for the coming fiscal year (July 1 through June 30). The funding resources from FHWA, FTA and ODOT are assigned to appropriate work elements. Remaining anticipated local funds are allocated to local service work elements. The OWP also incorporates activities and funding that support the various services provided by the Commission.

By April, the Commission receives feedback on the draft OWP, and is aware of the appropriation from the two largest local governments (the City of Mansfield and Richland County). The final OWP is prepared, including work elements to be completed, the costs associated with each of these elements, the staff resources and time allocation necessary to complete the work program, and the other direct and indirect costs associated with the work program, and the operation of the Planning Commission. Final approval on the OWP is made by the Commission at its May meeting, and generally ODOT/ FHWA /FTA approval comes near the start of the fiscal year.

The OWP is the instrument in which the Indirect Cost Allocation Plan is presented allocating indirect costs to all programs on the basis of a percentage of direct time.

In June of each year, the Executive Committee reviews a budget drawn from the OWP. This budget lists anticipated expenses by type as well as by program.

Budget categories for expense are salaries (including vacation, holidays and sick time), payroll additives, expenses, equipment, supplies, contractual and occupancy.

The Executive Committee meets monthly and reviews a financial report which presents monthly expenses by type and program, as well as for the fiscal year to date. It also tracks the actual indirect costs and provides a comparison to the OWP approved rate.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Throughout the year, the Executive Committee has the opportunity to amend the approved budget if it appears that the original estimates were incorrect. Generally, if an amendment is required, the Commission will try to make it near the end of the fiscal year.

H. Cash Equivalents

For the purposes of the Statement of Cash Flows, the Commission considers all cash held by the Richland County Treasury to be cash equivalents since they are available to the Commission upon demand.

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Commission records a liability for all accumulated unused vacation time when earned or all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vested method. The Commission records a liability for those employees with twenty years of service at the Commission or at age 55 for those who will have ten years of service by the age of 60 up to a maximum of thirty days.

J. Operating Revenues (Expenses)

Operating revenues are those revenues that are generated directly from the primary activities. For the Commission, these revenues are primarily membership fees from participating subdivisions and operating grants from federal, state, and local governments. Operating expenses are cost incurred to provide the good or service that is the primary activity of the Commission. Revenues and expenses not meeting the definition are reported as non-operating.

K. Use of Estimates

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

L. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "investment in capital assets", consists of capital assets, net of accumulated depreciation. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Commission, deferred outflows of resources have been reported for the following two items related to the Commission’s net pension liability: (1) the net difference between projected and actual earnings on pension plan investments related to the Commission’s net pension liability, and (2) the Commission’s contributions to the pension system subsequent to the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Commission reports a deferred inflows of resources for (1) the difference between expected and actual experience of the pension system, and (2) the difference between the Commission’s contributions and the proportional share of contributions.

N. Pension

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

NOTE 3 - CAPITAL ASSETS

A summary of the Commission’s Capital Assets at June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Furniture and Equipment	\$ 156,049	\$ 1,466	\$ (5,395)	\$ 152,120
Accumulated Depreciation	(128,095)	(6,183)	5,395	(128,883)
Book Value	<u>\$ 27,954</u>	<u>\$ (4,717)</u>	<u>\$ -</u>	<u>\$ 23,237</u>

NOTE 4 - DEFINED BENEFIT PENSION PLAN

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.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

The net pension liability represents the Commission'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.

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

GASB 68 assumes any net pension 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 or overfunded benefits is presented as a long-term *net pension liability*. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the statement of net position.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Commission employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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 Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
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	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	Formula: 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.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3% COLA adjustment on the defined benefit portion of their benefit.

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Commission's contractually required contribution for both the Traditional Pension Plan was \$51,003 for fiscal year 2016. Of this amount, \$2,290 is reported as accrued wages and benefits payable.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the OPERS Traditional Pension Plan was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission'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	\$ 602,641
Proportion of the net pension liability	0.003479198%
Pension expense	\$ 26,514

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

At June 30, 2016, the Commission 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	\$ 196,036
Commission contributions subsequent to the measurement date	26,857
Total deferred outflows of resources	\$ 222,893
 Deferred inflows of resources	
Differences between expected and actual experience	16,111
Difference between employer contributions and proportionate share of contributions	35,727
Total deferred inflows of resources	\$ 51,838

\$26,857 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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:

	OPERS
Year Ending June 30:	
2017	\$ 24,744
2018	28,213
2019	46,955
2020	44,285
Total	\$ 144,197

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

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. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage inflation	3.75 percent
Future salary increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or ad hoc COLA	3 percent simple, through 2018, then 2.80% simple
Investment rate of return	8 percent
Actuarial cost method	Individual entry age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent 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 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five-year period ended December 31, 2010.

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 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS 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 2015 and the long-term expected real rates of return:

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 - DEFINED BENEFIT PENSION PLAN - (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	23.00 %	2.31 %
Domestic equities	20.70	5.84
Real estate	10.00	4.25
Private equity	10.00	9.25
International equities	18.30	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability was 8 percent for the Traditional Pension 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Commission's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Commission's proportionate share of the net pension liability:			
Traditional Pension Plan	\$ 960,154	\$ 602,641	\$ 301,090

NOTE 5 - POSTRETIREMENT BENEFIT PLAN

Ohio Public Employees Retirement System

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare 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.

To qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have ten years or more of qualifying Ohio service credit. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 5 - POSTRETIREMENT BENEFIT PLAN - (Continued)

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The post-employment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). State statute requires that public employers fund post-employment healthcare through contributions to OPERS. A portion of each employer's contribution to the Traditional or Combined Plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In fiscal year 2016, local government employers contributed 14.00% of covered payroll. Each year the OPERS' Retirement Board determines the portion of the employer contribution rate that will be set aside for the funding of the postemployment health care benefits. The portion of employer contributions allocated to fund post-employment healthcare for members in the Traditional and Combined Plans for fiscal year 2016 was 2.00%.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment healthcare plan.

The Commission's contributions allocated to fund post-employment health care benefits for the fiscal years 2016, 2015 and 2014 were \$8,501, \$7,485, and \$6,468, respectively; 95.51% has been contributed for fiscal years 2016 and 100% has been contributed for 2015 and 2014; \$382 is reported in intergovernmental payable.

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, 2015. With the recent passage of pension legislation under State Bill 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.00% of the employer contributions toward the health care fund after the end of the transition period.

NOTE 6 - LONG TERM LIABILITIES

During fiscal year 2016, the following change occurred in Long-Term Liabilities.

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Compensated Absences Benefits	\$ 44,536	\$ 34,004	\$ (30,023)	\$ 48,517
Net Pension Liability	472,185	130,456	-	602,641
Total	<u>\$ 516,721</u>	<u>\$ 164,460</u>	<u>\$ (30,023)</u>	<u>\$ 651,158</u>

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 7- RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters.

Through Richland County, the Commission maintained coverage with the County Risk Sharing Commission (CORSA), as follows:

General Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate
Auto Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate Auto Medical Payments \$5,000 Each Person, \$50,000 Each Accident
Public Officials Liability:	\$1,000,000 per Occurrence - \$1,000,000 Annual Aggregate
Crime Coverage:	Employee Dishonesty \$1,000,000 Money and Securities \$1,000,000 Depositor's Forgery \$1,000,000 Money Orders and Counterfeit Paper \$1,000,000 Building– Contents Replacement Cost
Equipment:	Valuable Papers \$1,000,000 Extra Expense \$1,000,000 Electronic Data Processing Replacement Cost Contractors Equipment Replacement Cost Misc. Inland Marine Replacement Cost Motor truck Cargo \$100,000 Flood & Earthquake Replacement Cost Auto Physical Damage Actual Cash Value Automatic Acquisition \$5,000,000
Excess Liability:	Richland County \$5,000,000
Errors & Omissions Liability:	\$1,000,000 per Occurrence - Annual Aggregate

Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

NOTE 8 - RISK SHARING POOL

Through Richland County, the Commission participates in the County Risk Sharing Commission, Inc. (CORSA), a risk sharing pool made up of sixty-two member counties. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8 - RISK SHARING POOL - (Continued)

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financial of CORSA is limited to its voting Commission and any representation it may have on the board of trustees. CORSA has issued certificate of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The Commission does not have any equity interest in CORSA since the Commission is included as a part of Richland County.

NOTE 9 - CONTINGENCIES

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

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

NOTE 10 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2016, the Commission has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the Commission.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the Commission.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the Commission.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 10 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the Commission.

NOTE 11 - SUBSEQUENT EVENTS

Management has considered all subsequent events through the date the financial statements were made available.

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REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST THREE CALENDAR YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>			
Commission's proportion of the net pension liability	0.003479198%	0.00391500%	0.00391500%
Commission's proportionate share of the net pension liability	\$ 602,641	\$ 472,185	\$ 461,520
Commission's covered-employee payroll	\$ 433,014	\$ 372,099	\$ 421,062
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	139.17%	126.90%	109.61%
Plan fiduciary net position as a percentage of the total pension liability	81.08%	86.45%	86.36%

Note: Information prior to 2013 was unavailable.

Amounts presented as of the Commission's measurement date which is December 31.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COMMISSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 51,003	\$ 52,395	\$ 53,898	\$ 51,641
Contributions in relation to the contractually required contribution	<u>(51,003)</u>	<u>(52,395)</u>	<u>(53,898)</u>	<u>(51,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 425,025	\$ 436,625	\$ 449,150	\$ 397,238
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	12.00%	13.00%

Note: Information prior to 2013 was unavailable.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 - 2016.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 - 2016. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OTHER INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**SCHEDULE OF EXPENSES BY WORK ELEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Project	Direct Time	Other Direct	55.52% Fringe Benefits	61.53% Indirect	Total
Community Development Block Grant					
204.15 CDBG	\$ 8,142.12	\$ 780.30	\$ 4,520.51	\$ 5,009.85	\$ 18,452.77
204.16 CDBG PY2016	1,869.13	640.57	1,037.74	1,150.08	4,697.52
Total Community Development Block Grant	<u>10,011.25</u>	<u>1,420.87</u>	<u>5,558.25</u>	<u>6,159.92</u>	<u>23,150.29</u>
Coordination					
674.4 Agency Coordination	28,535.69	442.52	15,843.02	17,558.01	62,379.24
674.5 Transportation Services	-	394,305.06	-	-	394,305.06
Total Coordination	<u>28,535.69</u>	<u>394,747.58</u>	<u>15,843.02</u>	<u>17,558.01</u>	<u>456,684.30</u>
Geographic Information Sys.					
914.1 LGIF grant	1,804.32	-	1,001.76	1,110.20	3,916.28
915.1 GIS Project	29,912.61	4,223.67	16,607.48	18,405.23	69,148.99
916.1 GIS Engineer	14,792.12	686.04	8,212.59		23,690.75
916.4 GIS Lucas	1,097.19	92.03	609.16	675.10	2,473.48
Total Geographic Information Sys.	<u>47,606.24</u>	<u>5,001.74</u>	<u>26,430.98</u>	<u>20,190.53</u>	<u>99,229.49</u>
Local Service					
901.1 Local Service	12,019.35	8,550.86	6,673.14	7,395.51	34,638.86
920.0 Development Regulations	4,069.90	22.25	2,259.61	2,504.21	8,855.97
Total Local Service	<u>16,089.25</u>	<u>8,573.11</u>	<u>8,932.75</u>	<u>9,899.72</u>	<u>43,494.83</u>
NRAC					
207.1 NRAC	1,130.11	102.46	627.44	695.36	2,555.36
Total NRAC	<u>1,130.11</u>	<u>102.46</u>	<u>627.44</u>	<u>695.36</u>	<u>2,555.36</u>
ODOT					
601.1 Short Range Transportation	75,062.79	6,021.78	41,674.86	46,186.13	168,945.57
602.1 TIP	10,922.12	51.15	6,063.96	6,720.38	23,757.61
605.1 Surveillance	22,615.07	5,190.06	12,555.89	13,915.05	54,276.07
610.1 Long Range Transportation	5,471.47	1,756.09	3,037.76	3,366.60	13,631.92
625.1 Planning Assistance	8,292.31	546.60	4,603.89	5,102.26	18,545.06
630.1 Statewide Planning	1,359.85	729.52	754.99	836.72	3,681.07
697.1 Program Reporting	24,249.90	272.66	13,463.54	14,920.96	52,907.07
Total ODOT	<u>147,973.51</u>	<u>14,567.86</u>	<u>82,154.89</u>	<u>91,048.10</u>	<u>335,744.36</u>
Ohio Public Works					
206.1 District 16	4,602.21	14.49	2,555.15	2,831.74	10,003.59
Total Ohio Public Works	<u>4,602.21</u>	<u>14.49</u>	<u>2,555.15</u>	<u>2,831.74</u>	<u>10,003.59</u>
Public Transportation					
674.2 RCTB General	35,097.87	1,490.32	19,486.34	21,595.72	77,670.25
Total Public Transportation	<u>35,097.87</u>	<u>1,490.32</u>	<u>19,486.34</u>	<u>21,595.72</u>	<u>77,670.25</u>
Total	<u><u>\$ 291,046.13</u></u>	<u><u>\$ 425,918.43</u></u>	<u><u>\$ 161,588.81</u></u>	<u><u>\$ 169,979.09</u></u>	<u><u>\$ 1,048,532.46</u></u>

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD - PROVISIONAL METHOD
(JULY 1, 2015 - JUNE 30, 2016)

	Estimated FY 2016	Actual FY 2016	Difference (Over Bdgt.) Under Bdgt.	ODOT Adjustments	Estimated FY 2016
Wages paid for time worked:					
11: All Other Direct Labor	\$ 276,540	\$ 276,254	\$ 286	\$ -	\$ 276,540
13: GIS External Direct Labor	\$ 14,144	\$ 14,792	\$ (648)	\$ -	\$ 14,144
12: Indirect Labor	\$ 82,123	\$ 78,966	\$ 3,157	\$ -	\$ 82,123
Total Labor - base for fringe allocation	\$ 372,807	\$ 370,013	\$ 2,794	\$ -	\$ 372,807
Fringe Benefits					
211: Holiday Leave Taken	\$ 14,662	\$ 14,687	\$ (25)	\$ -	\$ 14,662
212: Vacation Leave Accrued	\$ 27,169	\$ 30,024	\$ (2,855)	\$ -	\$ 27,169
213: Sick Leave Taken	\$ 9,326	\$ 10,305	\$ (979)	\$ -	\$ 9,326
Subtotal Fringe Benefit Wages	\$ 51,157	\$ 55,016	\$ (3,859)	\$ -	\$ 51,157
Other Fringe Benefits					
22: PERS (Employer Share)	\$ 58,749	\$ 59,114	\$ (365)	\$ -	\$ 58,749
23: Workers Compensation	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000
24: Medicare	\$ 5,875	\$ 5,909	\$ (34)	\$ -	\$ 5,875
25.1: Health Insurance & Dental & Buyout	\$ 85,811	\$ 77,056	\$ 8,755	\$ -	\$ 85,811
25.2: Life - County	\$ 106	\$ 102	\$ 4	\$ -	\$ 106
25.3: Life - RCRPC	\$ 1,044	\$ 1,044	\$ -	\$ -	\$ 1,044
25.4: Flexible Administration	\$ -	\$ -	\$ -	\$ -	\$ -
26: Unemployment	\$ 12,640	\$ 7,208	\$ 5,432	\$ -	\$ 12,640
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Other Fringe Benefits	\$ 169,224	\$ 150,432	\$ 18,791	\$ -	\$ 169,224
TOTAL FRINGE BENEFITS	\$ 220,380	\$ 205,448	\$ 14,932	\$ -	\$ 220,380
Indirect Costs					
12: Indirect Labor	\$ 82,123	\$ 78,966	\$ 3,157	\$ -	\$ 82,123
Fringe Benefits for Indirect Salaries	\$ 48,546	\$ 43,846	\$ 4,700	\$ -	\$ 48,546
30: Staff Expenses - Other	\$ 100	\$ -	\$ 100	\$ -	\$ 100
31: Travel	\$ 500	\$ 501	\$ (1)	\$ -	\$ 500
32: County Car	\$ 50	\$ 26	\$ 24	\$ -	\$ 50
33: Professional Memberships	\$ 250	\$ 391	\$ (141)	\$ -	\$ 250
34: Local Registration / Conference	\$ 500	\$ -	\$ 500	\$ -	\$ 500
35: Other Registration / Conference	\$ -	\$ 305	\$ (305)	\$ -	\$ -
36: RCRPC Meeting Costs	\$ -	\$ -	\$ -	\$ -	\$ -
37: Staff Parking	\$ 2,160	\$ 1,990	\$ 170	\$ -	\$ 2,160
40: Equipment - Other	\$ -	\$ -	\$ -	\$ -	\$ -
41: Leases - Copy Service	\$ 500	\$ 1,635	\$ (1,135)	\$ -	\$ 500
42: Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -
43: Purchases	\$ 5,000	\$ 366	\$ 4,634	\$ -	\$ 5,000
44: Depreciation	\$ 3,500	\$ 3,416	\$ 84	\$ -	\$ 3,500
51: Office	\$ 3,200	\$ 2,839	\$ 361	\$ -	\$ 3,200
52: Drafting	\$ -	\$ -	\$ -	\$ -	\$ -
53: Postage	\$ 500	\$ 634	\$ (134)	\$ -	\$ 500
55: Publications	\$ 600	\$ 328	\$ 272	\$ -	\$ 600
56: Software	\$ 500	\$ 118	\$ 382	\$ -	\$ 500
61: Printing	\$ -	\$ -	\$ -	\$ -	\$ -
62: Legal Services & Public Notices	\$ 500	\$ -	\$ 500	\$ -	\$ 500
63: Accounting, Audits	\$ -	\$ -	\$ -	\$ -	\$ -
64: Other Consultants & Misc.	\$ -	\$ 2,225	\$ (2,225)	\$ -	\$ -
71: Rent	\$ 30,625	\$ 30,625	\$ 0	\$ -	\$ 30,625
73: Telephone	\$ 1,800	\$ 1,963	\$ (163)	\$ -	\$ 1,800
74: Other	\$ -	\$ -	\$ -	\$ -	\$ -
4300: Non-Budgeted Revenue	\$ (300)	\$ (205)	\$ (95)	\$ -	\$ (300)
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INDIRECT COSTS	\$ 180,654	\$ 169,969	\$ 10,685	\$ -	\$ 180,654

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD - PROVISIONAL METHOD
(JULY 1, 2015 - JUNE 30, 2016)

	Estimated FY 2016	Actual FY 2016	Difference (Over Bdgt.) Under Bdgt.	ODOT Adjustments	Estimated FY 2016
Direct Labor Costs by Department:					
200: Community Development	\$ 5,718	\$ 10,011	\$ (4,293)	\$ -	\$ 5,718
300: Economic Development	\$ 6,283	\$ 5,732			\$ 6,283
600: Transportation	\$ 155,275	\$ 147,974	\$ 7,301	\$ -	\$ 155,275
674: Transit	\$ 57,777	\$ 63,634	\$ (5,857)	\$ -	\$ 57,777
900: Local Services	\$ 18,485	\$ 16,089	\$ 2,396	\$ -	\$ 18,485
900: GIS Local	\$ 33,002	\$ 32,814	\$ 188	\$ -	\$ 33,002
TOTAL DIRECT LABOR COSTS	\$ 276,540	\$ 276,254	\$ (265)	\$ -	\$ 276,540
Fringe Benefit Cost Rate Computation					
TOTAL Fringe Benefit Costs /	\$ 220,380	\$ 205,448			\$ 220,380
TOTAL Labor Costs (All Direct & Indirect)	\$ 372,807	\$ 370,013			\$ 372,807
= Fringe Benefit Cost Rate	59.11%	55.52%			59.11%
FY 2016 Fringe Benefit Cost Recovery Comparison (Direct Labor Portion Only)					
Should have recovered in fiscal year (Actual Direct Labor * Actual Fringe Benefit Cost Rate)	\$ 153,389			52.70%	of All Direct Labor
Amount actually recovered in fiscal year (Actual Direct Labor x ESTIMATED Fringe Benefit Cost Rate)	\$ 163,304			56.11%	of All Direct Labor
Prior Year Net (Over) / Under Recovery	\$ -				
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$ -				
(Over)/Under Recovery of Fringe Benefits	\$ (9,915)		A (over)/under		
Indirect Cost Rate Computation					
TOTAL Indirect Costs /	\$ 180,654	\$ 169,969			\$ 180,654
only DIRECT Labor Costs	\$ 276,540	\$ 276,254			\$ 276,540
= Indirect Cost Rate	65.33%	61.53%			65.33%
FY 2016 Indirect Cost Recovery Comparison (All Indirect Costs, Indirect Labor & Indirect Labor Fringe Benefits)					
Should have recovered in fiscal year (Actual Direct Labor * Actual Indirect Cost Rate)	\$ 169,969			61.53%	of All Direct Labor not County Engineer
Amount actually recovered in fiscal year (Actual Direct Labor x ESTIMATED Indirect Cost Rate)	\$ 180,467			65.33%	of All Direct Labor not County Engineer
Prior Year Net (Over) / Under Recovery	\$ -				
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$ -				
(Over)/Under Recovery of Indirect Costs	\$ (10,498)		B (over)/under		
FY 2016 Net (Over)/Under Recovery					
Fringe Benefit Cost (Over)/Under Recovery		\$ (9,915)	A (over)/under		
Indirect Cost (Over)/Under Recovery		\$ (10,498)	B (over)/under		
Net (Over)/Under Recovery		\$ (20,413)			
Summary					
Fringe Benefit Rate	59.11%	55.52%			59.11%
Indirect Cost Rate	65.33%	61.53%			65.33%
Total Overhead Cost Rate *	124.44%	117.05%			124.44%

Footnotes A The direct labor associated with the County Engineer's GIS program is included in the total labor denominator for the calculation of the fringe benefits cost rate, but is not included in the direct labor denominator for the calculation of the indirect cost rate. This has been approved by ODOT as the U.S. DOT - FHWA and OMB Circular A-87 recognized Oversight Agency for RCRPC's annual Cost Allocation Plan. The RCRPC and the County Engineer have a shared employee who is only on the payroll of the RCRPC but performs his work for the County Engineer at the offices of the County Engineer and not at the RCRPC office. Thus, an allocation of RCRPC indirect costs to this direct labor is not warranted. However, an allocation of fringe benefits costs is required.



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**Independent Auditor's Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Required by
*Government Auditing Standards***

Richland County Regional Planning Commission
35 N. Park Street
Mansfield, Ohio 44902

To the Commission Members:

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 Richland County Regional Planning Commission, Richland County, Ohio, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2016.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Richland County Regional Planning Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Richland County Regional Planning Commission'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 Richland County Regional Planning Commission'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Commission Members
Richland County Regional Planning Commission

Compliance and Other Matters

As part of reasonably assuring whether the Richland County Regional Planning Commission'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*.

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 Richland County Regional Planning Commission's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Richland County Regional Planning Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 21, 2016

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2016**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2015-001	Accurate financial reporting is an important part of the Planning Commission's overall purpose. Financial reporting requires internal controls in place to help ensure accuracy of reporting.	Yes	N/A

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Dave Yost • Auditor of State

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND 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
MARCH 14, 2017**