bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

LIMA-ALLEN REGIONAL PLANNING COMMISSION
ALLEN COUNTY

REGULAR AUDIT

For the Year Ended June 30, 2018
Fiscal Year Audited Under GAGAS: 2018

One East Campus View Blvd. Suite 300 • Columbus, OH 43235 • (614) 389-5775 • FAX (614) 467-3920
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Board Members
Lima-Allen Regional Planning Commission
130 West North Street
Lima, Ohio 45801

We have reviewed the *Independent Auditor's Report* of the Lima-Allen Regional Planning Commission, Allen County, prepared by BHM CPA Group, Inc., for the audit period July 1, 2017 through June 30, 2018. 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 Lima-Allen Regional Planning Commission is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

January 30, 2019

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LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

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Independent Auditor's Report

Lima-Allen County Regional Planning Commission
Allen County
130 West North Street
Lima, Ohio 45801

To the Commission Members:

Report on the Financial Statements

We have audited the accompanying financial statements of Lima-Allen County Regional Planning Commission, Allen County, Ohio (the Commission), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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 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 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 Lima-Allen County Regional Planning Commission, Allen County as of June 30, 2018, and the changes in its financial position and its cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 3 to the Financial Statements during 2018, the commission adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment benefits other than pensions. 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 and postemployment benefit liabilities and pension and postemployment 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

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

The schedule of expenses by element on page 42 and the schedule of direct labor, fringe benefits, and general overhead on page 43 present additional analysis and are not a required part of the basic financial statements.

We did not subject the schedule of expenses by element and the schedule of direct labor, fringe benefits, and general overhead 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[i] also issued our report dated December 17, 2018, on our consideration of the 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 Commission's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group Inc.
Piketon, Ohio
December 17, 2018

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

The management's discussion and analysis of the Lima-Allen County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for fiscal year ended June 30, 2018 are as follows:

- Net position at the beginning of the fiscal year was restated in order to implement GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*", as described in Note 3 to the basic financial statements.

- The Commission's total net position decreased by $92,968 from a deficit $412,650 at June 30, 2017, as restated, to a deficit $505,618 at June 30, 2018.

- Total assets increased $11,985 from June 30, 2017, along with an increase of $62,155 in cash on hand. Capital assets decreased $22,986 from June 30, 2017.

- Total deferred outflows of resources increased $35,854 as a result of the deferred outflows reported related to the net pension liability and net other postemployment benefits (OPEB) liability.

- Total liabilities decreased $64,294 from June 30, 2017, primarily due to a decrease in the NPL.

- Deferred inflows of resources from pension and OPEB increased by $137,053 from June 30, 2017.

- Operating revenues increased $4,766, operating expenses increased $45,807, and non-operating revenues decreased $141. The total change in net position for the 2018 fiscal year was a decrease of $92,968 (of which $66,449 and $46,582 was to accommodate GASB Statement No. 68 and GASB Statement No. 75, respectively).

Using this Annual Financial Report

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Lima-Allen County Regional Planning Commission as a financial whole, an entire operating entity.

Statement of Net Position

The Statement of Net Position examines how well the Commission has performed financially from inception through June 30, 2018. This statement includes all 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 form of accounting takes in to account all revenues earned and expenses incurred during the 12-month period, regardless as to when the cash is received or expended.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's net pension liability and net OPEB liability.

The Commission as a Whole

The statement of net position serves as a useful indicator of a government's financial position. Net position has been restated as described in Note 3 of the notes to the basic financial statements. The table below provides a summary of the Commission's net position for fiscal years 2018, 2017, 2016 and 2015.

Net Position

	2018	(Restated) 2017	2016*	2015*
Assets				
Current assets	$ 287,684	$ 252,713	$ 202,835	$ 221,650
Noncurrent assets	210,957	233,943	236,211	252,774
Total assets	498,641	486,656	439,046	474,424
Deferred outlfows of resources	214,367	250,221	226,377	49,109
Liabilities				
Current liabilities	41,841	52,631	42,437	66,803
Noncurrent liabilities	992,265	1,049,429	648,629	437,433
Total liabilities	1,034,106	1,102,060	691,066	504,236
Deferred inflows	184,520	47,467	27,220	25,292
Net Position				
Net investment in capital assets	210,957	233,943	236,211	252,774
Unrestricted (deficit)	(716,575)	(646,593)	(289,074)	(258,769)
Total net position (deficit)	$ (505,618)	$ (412,650)	$ (52,863)	$ (5,995)

*The information for the net OPEB liability and related deferred inflows and outflows of resources is not available and is not reported in the table above for fiscal years 2016 and 2015.

The net pension liability and the net OPEB liability at June 30, 2018 are reported pursuant to GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*" and GASB Statement No. 75, respectively. 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 OPEB, adding the net pension liability and net OPEB liability to the reported net position, and subtracting deferred outflows related to pension and OPEB.

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 and OPEB costs, GASB Statement Nos. 27 and 45 focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability and net OPEB liability. GASB Statement Nos. 68 and 75 take an earnings approach to pension and OPEB 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.

GASB Statement Nos. 68 and 75 require the net pension liability and net OPEB liability to equal the Commission's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and OPEB 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 these liabilities. In Ohio, the employee shares the obligation of funding pension and OPEB 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 liabilities 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 these plans.

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 or net OPEB liability. As explained above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension liability and net OPEB 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 and OPEB 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 and net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement Nos. 68 and 75, the Commission'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 and net OPEB liability not accounted for as deferred inflows/outflows.

Net position decreased by $92,968 for the current fiscal year. The Commission had depreciation expense of $22,986 and had no additions or disposals of capital assets during fiscal year 2018. The Commission has no long-term debt.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating and nonoperating activities for the fiscal year ended June 30, 2018.

Net position has been restated at June 30, 2017, as described in Note 3 of the notes to the basic financial statements. The following table shows the changes in net position for fiscal years 2018, 2017, 2016 and 2015.

Change in Net Position

	2018	(Restated) 2017	2016**	2015**
Revenues				
Federal	$ 562,875	$ 527,887	$ 435,793	$ 462,433
State	42,820	77,949	65,088	65,531
Fees	118,299	118,299	118,299	118,299
Local	118,674	113,908	89,211	85,707
Total revenues	842,668	838,043	708,391	731,970
Expenses				
Direct labor	296,059	316,953	250,447	296,290
Other direct	63,434	51,632	50,464	55,115
Indirect	576,143	521,244	454,348	406,386
Total expenses	935,636	889,829	755,259	757,791
Change in net position	(92,968)	(51,786)	(46,868)	(25,821)
Net position (deficit) at beginning of year	(412,650)	N/A*	(5,995)	19,826
Net position (deficit) at end of year	$ (505,618)	$ (412,650)	$ (52,863)	$ (5,995)

*The information necessary to restate the fiscal year 2017 beginning net position and the fiscal year 2017 OPEB expense amounts for the effects of the initial implementation of GASB Statement No. 75 in the table above is not available.

**The information for the net OPEB liability and related deferred inflows and outflows of resources for GASB Statement No. 75 is not available and is not reported in the table above for fiscal years 2016 and 2015.

The Commission had an increase of $34,988 in federal funds and a decrease of $35,129 in State funds for fiscal year 2018. Other fees which is made up of local fees for subdivisions, lots splits, and other work that is paid were the same for fiscal years 2018 and 2017. Local revenues increased by $4,766. Total revenue overall was up $4,625, from fiscal year 2017.

Expenses for fiscal year 2018 totaled $935,636. Direct labor costs and other direct costs totaled $359,493 in fiscal year 2018. Included in fiscal year 2018 indirect costs were expenses of $66,449 and $46,582 to accommodate GASB Statement No. 68 and GASB Statement No. 75, respectively.

Capital Assets

At fiscal year-end, the Commission had $210,957 (net of accumulated depreciation) invested in land, buildings, building improvements, office equipment, furniture, computer software and vehicles. The following table shows capital asset balances, net of accumulated depreciation, at June 30, 2018, 2017, 2016 and 2015:

Capital Assets at June 30
(Net of Depreciation)

	2018	2017	2016	2015
Land	$ 35,500	$ 35,500	$ 35,500	$ 35,500
Buildings and improvements	156,639	167,841	179,043	190,245
Office equipment and furniture	18,818	30,602	20,918	25,280
Computer software	-	-	750	1,749
Totals	$ 210,957	$ 233,943	$ 236,211	$ 252,774

See Note 4 to the basic financial statements for further detail on the Commission's capital assets.

Long-Term Obligations

The Commission's long-term obligations were restated at June 30, 2017, to include the net OPEB liability (see Note 3 and 5 of the notes to the basic financial statements for detail). The Commission had the following long-term obligations outstanding at June 30, 2015, 2016, 2017 and 2018:

Long-Term Obligations at June 30

	2018	(Restated) 2017	2016*	2015*
Compensated absences payable	$ 52,431	$ 55,757	$ 50,752	$ 44,766
Net pension liability	571,980	710,925	624,731	415,965
Net OPEB liability	389,317	310,248	-	-
Total	$ 1,013,728	$ 1,076,930	$ 675,483	$ 460,731

*The information for the net OPEB liability for GASB Statement No. 75 is not available and is not reported in the table above for fiscal years 2016 and 2015.

At June 30, 2018, $27,302 of the Commission's long-term obligations for compensated absences payable are due within one year and therefore considered a current liability. The remainder of the compensated absences payable and the entire amount of the net pension liability is considered due in more than one year.

See Note 5 to the basic financial statements for further detail on the Commission's long-term obligations and Notes 6 and 7 for further detail on the net pension liability and net OPEB liability, respectively.

Current Financial Issues

The Commission is extremely dependent upon intergovernmental revenues (Federal and State grants) provided by the Federal and State government through the State of Ohio; approximately 71.88 percent of the Commission total revenue in fiscal year 2018 was from Federal and State funds, compared to 72.29, 70.71 and 72.13 percent in fiscal years 2017, 2016 and 2015. The Commission's financial position has been maintained by careful control of expenses in past years. The Commission is vulnerable to changes in Federal and State grant program incomes and increases in fixed costs which are becoming much harder to control.

Contacting the Commission's Financial Management

This financial summary is designed to provide our funding sources and member governments as well as the local citizenry with an overview of the Commission's finances and to document the Commission's accountability for the monies it receives. Questions about this report or for additional financial information contact the Grants Administrator at the Lima-Allen County Regional Planning Commission, 130 West Main St., Lima, Ohio 45801 or call 419-228-1836, or by e-mail to mschumaker@lacrpc.com.

BASIC FINANCIAL STATEMENTS

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2018

Assets:		
Current assets:		
Cash	$	169,203
Receivables:		
Intergovernmental receivables:		
Ohio department of transportation		64,311
Ohio department of public safety		16,067
Office of transit		2,909
Local assessment		7,754
Other		13,871
Prepayments		13,569
Total current assets		287,684
Noncurrent assets:		
Capital assets:		
Land		35,500
Depreciable capital assets, net		175,457
Total noncurrent assets		210,957
Total assets		498,641
Deferred outflows of resources:		
Pension - OPERS		150,631
OPEB - OPERS		63,736
Total deferred outflows of resources		214,367
Liabilities:		
Current liabilities:		
Accrued wages and benefits		14,539
Compensated absences payable - current		27,302
Total current liabilities		41,841
Noncurrent liabilities:		
Compensated absences payable		25,129
Unearned revenue		5,839
Net pension liability		571,980
Net OPEB liability		389,317
Total noncurrent liabilities		992,265
Total liabilities		1,034,106
Deferred inflows of resources:		
Pension - OPERS		155,518
OPEB - OPERS		29,002
Total deferred inflows of resources		184,520
Net position:		
Investment in capital assets		210,957
Unrestricted (deficit)		(716,575)
Total net position (deficit)	$	(505,618)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Operating revenues:		
Fees charged to subdivisions	$	118,299
Local revenues		118,674
Total operating revenues		236,973
Operating expenses:		
Salaries and wages		373,288
Employee benefits		364,889
Occupancy and other		174,473
Depreciation		22,986
Total operating expenses		935,636
Operating loss		(698,663)
Non-operating revenues:		
Intergovernmental		605,695
Total nonoperating revenues		605,695
Change in net position		(92,968)
Net position (deficit) at beginning of year (restated)		(412,650)
Net position (deficit) at end of year	$	(505,618)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Cash flows from operating activities:		
Cash received from subdivisions.	$	120,478
Cash received from local sources		105,789
Cash payments to employees for services		(628,603)
Cash payments to suppliers for services		(181,830)
Net cash used in operating activities		(584,166)
Cash flows from noncapital financing activities:		
Cash received from intergovernmental sources		646,321
Net cash provided by noncapital financing activities. .		646,321
Net increase in cash.		62,155
Cash and cash equivalents at beginning of year		107,048
Cash and cash equivalents at end of year	$	169,203
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss.	$	(698,663)
Adjustments:		
Depreciation		22,986
Changes in assets and liabilities:		
(Increase) in accounts receivable		(12,885)
(Increase) in prepayments		(557)
Decrease in deferred outflows - pension.		97,343
(Increase) in deferred outflows - OPEB		(61,489)
(Decrease) in accounts payable.		(6,800)
(Decrease) in accrued wages and benefits		(131)
(Decrease) in compensated absences payable		(3,326)
Increase in unearned revenue.		2,179
(Decrease) in net pension liability		(138,945)
Increase in OPEB liability		79,069
Increase in deferred inflows - pension		108,051
Increase in deferred inflows - OPEB		29,002
Net cash used in operating activities	$	(584,166)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE ENTITY

The Lima-Allen County Regional Planning Commission, Allen County, (the "Commission") was organized in 1964 under Section 713.21 of the Ohio Revised Code. The Commission is governed by a thirty-three member board. The Board consists of representatives from participating political subdivisions, the County Commissioners, and appointed citizens. The Commission serves the County by performing studies and making maps, preparing recommendations and reports relating to the physical, environmental, social, economic and governmental characteristics, functions and services of the County. The participating subdivisions are:

Allen County	City of Lima	City of Delphos
Village of Beaverdam	Village of Bluffton	Amanda Township
Village of Elida	Village of Spencerville	Bath Township
American Township	Auglaize Township	Monroe Township
Jackson Township	Marion Township	Shawnee Township
Perry Township	Richland Township	Spencer Township
Village of Cairo	Sugar Creek Township	Village of Harrod

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial 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 Allen 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. The Allen County Auditor acts as the fiscal agent. These financial statements were prepared from the accounts and financial record of the Commission and, accordingly, these financial statements do not present the financial position or results of the operations of Allen 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 accounting principles generally accepted in the United States of America (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.

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

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 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 outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

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. Revenue resulting from exchange transactions, in which the party gives and receives essentially equal value, is recorded when the exchange takes place. Revenues resulting from nonexchange 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 position by the Commission that is applicable to a future reporting period. The Commission reports deferred inflow of resources for the following items related to the Commission’s net pension liability and net other postemployment benefits (OPEB) liability: (1) differences between expected and actual experience, (2) net difference between projected and actual earnings on pension plan investments, and (3) changes in employer’s proportionate percentage/difference between employer contributions.

A deferred outflow of resources is a consumption of net position by the Commission that is applicable to a future reporting period. 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 items related to the Commission’s net pension liability and net OPEB liability: (1) differences between expected and actual experience, (2) the net difference between projected and actual investment earnings on pension plan investments, (3) changes of assumptions, (4) changes in employer’s proportionate percentage/difference between employer contributions, and (5) the Commission’s contributions to the pension systems subsequent to the measurement date.

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

C. Cash and Investments

As required by Section 713.21, Ohio Revised Code, the Commission must deposit all receipts in the Allen County Treasury. The Allen County Treasurer maintains a cash and investment pool used for all Allen 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 Allen County Treasury.

The Ohio Revised Code requires that deposits either be insured or protected by (1) eligible securities pledged to the County and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

At year-end, the carrying amount of the Commission's deposits was $169,203.

The Ohio Revised Code does not provide the Commission the power to make or hold investments other than the deposits in the Allen County Treasury explained above. The Commission's deposits maintained by the Allen County Treasurer were either insured by the Federal Deposit Insurance Corporation, covered by the OPCS, or collateralized by pledged collateral held by a financial institution in Allen County's name.

As of June 30, 2018, the Allen County Treasury had the following investments types: Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal National Mortgage Association (FNMA), Federal Agricultural Mortgage Corporation (FAMC), StarOhio, STARPlus Ohio, FDIC-insured Certificates of Deposit, CDARS, and U.S. Government Money Market Funds.

The FHLMC, FHLB, FFCB, and FNMA carry a rating of Aaa by Moodys. FAMC debt is not rated but is a federally chartered instrumentality of the U.S. Government. The U.S. Government Money Market Funds carries a rating of Aaa-mf by Moodys and StarOhio carries a rating of AAAm by Standard and Poor's. The FDIC-insured Certificates of Deposit, CDARS, and STARPlus Ohio are fully insured by the FDIC for principal and interest.

D. Indirect Costs

To facilitate the equitable distribution of common purpose costs benefiting more than one direct cost objective, the Commission has negotiated an agency-wide indirect cost allocation plan with its cognizant federal agency, the Federal Highway Administration (FHWA) through the Ohio Department of Transportation (ODOT).

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

The Commission has adopted the Provisional Rate Method of calculating the fringe benefit and indirect cost rate. The rates are calculated based on the most recently audited fiscal year with adjustments for projected changes. Once approved by ODOT, the provisional rates are billed for the fiscal year. At the end of the fiscal year, the actual rates are calculated and the difference between the estimated and actual costs for the period covered by the rate is identified to the specific contracts. Any variance is either billed as an additional cost or refunded to the granting agency. No carry forward provision is permitted to adjust future rates for the variance. The fringe benefit rate is based upon a percentage of direct wages to include sick time, holiday pay, vacation pay, personal days and the employer portion of retirement, workers compensation insurance, hospitalization and unemployment insurance. For the calculation of the fringe benefit rate the base is total labor, both direct and indirect.

The indirect cost rate is based upon a percentage of direct wages to include indirect wages and their allocated fringe benefit costs as well as other indirect costs incurred for equipment, supplies, utilities, and office space. For the calculation of the indirect cost rate, the base is total direct labor (excluding direct labor fringe benefits).

E. Receivables

Local assessment receivables consist of amounts due from subdivisions based on a per capita assessment. Other accounts receivable consist of billings from the Commission for lot split fees, subdivision review fees, and federal and state grants.

F. Prepayments

Recording a current asset for the prepaid amount and reflecting the expenditures/expenses in the year in which services are consumed record payments made to vendors for services that will benefit periods beyond June 30, 2018, as prepayments using the consumption method.

G. Capital Assets

All capital assets are capitalized at cost and updated for additions and deletions during the year. All capital assets are depreciated except for land. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. The Commission has opted to capitalize their externally acquired computer software and any capital purchases greater than $2,000. Depreciation of the office equipment, furniture, computer software, and vehicles are computed on the straight-line method over the useful lives (five years) of the assets. Depreciation of the building and improvements is computed on the straight-line method over the useful lives (31.5 to 32.5 years) of the assets.

H. Compensated Absences

Governmental Accounting and Financial Reporting Standards specifies that leave benefits of the employer's obligation relating to employee's rights to receive compensation for future absences is attributable to employee's services already rendered; the obligation relates to rights that accumulate; payment of the compensation is probable; and the amount can be reasonably estimated.

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

The Commission records a liability for accumulated unused vacation time when earned for employees. The Commission records a liability for accumulated unused sick leave using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Commission has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the Commission's policy. Upon retirement, a full-time employee is entitled to receive payment for 1/3 of their accumulated but unused sick leave to a maximum of 240 hours. Part-time employees will receive 1/3 of the average time worked in 30 days.

I. 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.

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Commission applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

J. Operating and Non-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 along with local revenue defined in Note 2.K. Non-operating revenues consist of federal and state grants. Operating expenses are costs incurred to provide the good or service that is the primary activity of the Commission.

K. Local Revenue

Local revenues consist of contract services, lot splits, subdivision reviews, and sundry revenues.

L. Estimates

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

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

M. Pensions/OPEB

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles/Restatement of Net Position

For fiscal year 2018, the Commission has implemented GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", GASB Statement No. 81 *"Irrevocable Split-Interest Agreements"* GASB Statement No. 85*, "Omnibus 2017"* and GASB Statement No. 86, "*Certain Debt Extinguishments*".

GASB Statement No. 75 improves the accounting and financial reporting by state and local governments for postemployment benefits other than pension (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The implementation of GASB Statement No. 75 effected the Commission's postemployment benefit plan disclosures, as presented in Note 7 to the basic financial statements, and added required supplementary information which is presented on pages 35-41.

GASB Statement No. 81 improves the accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of GASB Statement No. 81 did not have an effect on the financial statements of the Commission.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and OPEB. The implementation of GASB Statement No. 85 did not have an effect on the financial statements of the Commission.

GASB Statement No. 86 improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of GASB Statement No. 86 did not have an effect on the financial statements of the Commission.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

A net position restatement is required in order to implement GASB Statement No 75. Net position at July 1, 2017 has been restated as follows:

Net position as previously reported	$ (104,649)
Deferred outflows - payments subsequent to measurement date	2,247
Net OPEB liability	(310,248)
Restated net position at July 1, 2017	$ (412,650)

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

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance 06/30/17	Additions/ Transfers	Deductions	Balance 06/30/18
Capital assets, not being depreciated:				
Land	$ 35,500	$ -	$ -	$ 35,500
Total capital assets, not being depreciated	35,500	-	-	35,500
Capital assets, being depreciated:				
Buildings and improvements	360,079	-	-	360,079
Office equipment and furniture	144,062	-	(20,627)	123,435
Computer software	14,173	-	-	14,173
Vehicles	51,866	-	-	51,866
Total capital assets, being depreciated:	570,180	-	(20,627)	549,553
Less: accumulated depreciation				
Buildings and improvements	(192,238)	(11,202)	-	(203,440)
Office equipment and furniture	(113,460)	(11,784)	20,627	(104,617)
Computer software	(14,173)	-	-	(14,173)
Vehicles	(51,866)	-	-	(51,866)
Total accumulated depreciation	(371,737)	(22,986)	20,627	(374,096)
Governmental activities capital assets, net	$ 233,943	$ (22,986)	$ -	$ 210,957

NOTE 5 - LONG-TERM OBLIGATIONS

The beginning balance of the Commission's long-term obligations was restated to include the net OPEB liability (see Note 3 for further detail). The activity of the Commission's long-term obligations during fiscal year 2018 are as follows:

	(Restated) Balance Outstanding 06/30/17	Additions	Reductions	Balance Outstanding 06/30/18	Amounts Due in One Year
Compensated absences payable	$ 55,757	$ 53,368	$ (56,694)	$ 52,431	$ 27,302
Net pension liability	710,925	-	(138,945)	571,980	-
Net OPEB liability	310,248	79,069	-	389,317	-
Total	$ 1,076,930	$ 132,437	$ (195,639)	$ 1,013,728	$ 27,302

Compensated absences payable
Compensated absences represent future obligations for sick leave (to the extent it is estimated to be paid as severance), vacation leave and personal time. Of the total liability for compensated absences, $27,302 is expected to be paid within the next fiscal year.

Net pension liability
See Note 6 of the notes to the basic financial statements for detail on the net pension liability.

Net OPEB liability
See Note 7 of the notes to the basic financial statements for detail on the net OPEB liability.

NOTE 6 - 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.

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.

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

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 accrued wages 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, 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):

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (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 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 3.00% 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 3.00%.

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 1.00% 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 3.00% COLA adjustment on the defined benefit portion of their benefit.

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

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.

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

	State & Local: Calendar Year 2017	State & Local: Calendar Year 2018
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0
Employee	10.0 %	10.0
Actual Contribution Rates		
Employer:		
Pension	13.0 %	14.0
Post-employment Health Care Benefits	1.0 %	0.0
Total Employer	14.0 %	14.0
Employee	10.0 %	10.0

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

The Commission's contractually required contribution for the Traditional Pension Plan was $61,339 for fiscal year 2018.

Pension Liabilities, 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, 2017, 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.

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

The following is information related to the proportionate share and pension expense:

		OPERS - Pension
Proportion of the net pension liability prior measurement date		0.00313068%
Proportion of the net pension liability current measurement date		0.00364596%
Change in proportionate share		0.00051528%
Proportionate share of the net pension liability	$	571,980
Pension expense		95,510

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		OPERS - Pension
Deferred outflows of resources		
Differences between expected and actual experience	$	584
Net difference between projected and actual earnings on pension plan investments		68,356
Changes of assumptions		52,630
Commission contributions subsequent to the measurement date		29,061
Total deferred outflows of resources	$	150,631
Deferred inflows of resources		
Differences between expected and actual experience		11,273
Net difference between projected and actual earnings on pension plan investments		122,798
Changes in employer's proportionate percentage/ difference between employer contributions		21,447
Total deferred inflows of resources	$	155,518

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

$29,061 reported as deferred outflows of resources related to pension resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

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 - Pension
Year Ending December 31:		
	2019	$ 58,371
	2020	12,214
	2021	(54,073)
	2022	(50,460)
Total		$ (33,948)

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.

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 was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Measurement and valuation date	December 31, 2017
Experience study	5 year period ended December 31, 2015
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Investment rate of return	7.50 percent
Wage inflation	3.25 percent
Projected salary increases	3.25 to 10.75 percent (including wage inflation of 3.25%)
Cost-of-living adjustments	Pre 1/7/2013 retirees: 3.00 percent, simple Post 1/7/2013 retirees: 3.00 percent, simple through 2018, then 2.15% simple

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

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 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.20 %
Domestic equities	19.00	6.37
Real estate	10.00	5.26
Private equity	10.00	8.97
International equities	20.00	7.88
Other investments	18.00	5.26
Total	100.00 %	5.66 %

NOTE 6 - DEFINED BENEFIT PENSION PLAN - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.50%, post-experience study results, 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 contractually required rates, as actuarially determined. 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 for the Traditional Pension Plan 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/asset calculated using the current period discount rate assumption of 7.50%, as well as what the Commission's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Commission's proportionate share of the net pension liability:			
Traditional Pension Plan	$ 1,015,691	$ 571,980	$ 202,059

NOTE 7 - DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

For fiscal year 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" was effective. The net OPEB liability has been disclosed below.

OPEB is a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. OPEB 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 net OPEB liability represents the Commission's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the Commission does receive the benefit of employees' services in exchange for compensation including OPEB.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of the plan's unfunded benefits or overfunded benefits is presented as a long-term net OPEB 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 other liabilities on the accrual basis of accounting.

Plan Description - OPERS

Plan Description - Commission employees participate in the Ohio Public Employees Retirement System. 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, 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.

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115Ttrust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

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):

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 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 3.00% 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 3.00%.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

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 1.00% 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 3.00% 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.

Funding Policy - The ORC provides statutory authority for member and employer contributions as follows:

	State & Local: Calendar Year 2017	State & Local: Calendar Year 2018
Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0
Employee	10.0 %	10.0
Actual Contribution Rates		
Employer:		
Pension	13.0 %	14.0
Post-employment Health Care Benefits	1.0 %	0.0
Total Employer	14.0 %	14.0
Employee	10.0 %	10.0

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

The Commission's contractually required contribution for OPEB was $2,272 for fiscal year 2018.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for OPERS was measured as of December 31, 2017, and the total OPEB liability used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability or asset 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 OPEB expense:

	OPERS - OPEB
Proportion of the net OPEB liability prior measurement date	0.00307166%
Proportion of the net OPEB liability current measurement date	0.00358511%
Change in proportionate share	0.00051345%
Proportionate share of the net OPEB liability	$ 389,317
OPEB expense	46,582

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS - OPEB
Deferred outflows of resources	
Differences between expected and actual experience	$ 303
Changes of assumptions	28,347
Changes in employer's proportionate percentage/ difference between employer contributions	35,086
Total deferred outflows of resources	$ 63,736
Deferred inflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	$ 29,002
Total deferred inflows of resources	$ 29,002

No amounts were reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2019.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS - OPEB
Year Ending December 31:	
2019	$ 23,221
2020	24,759
2021	(5,994)
2022	(7,250)
2023	(2)
Total	$ 34,734

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value 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.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial Valuation Date	December 31, 2016
Roll-Forward Measurment Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions:	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	7.50% initial, 3.25% ultimate in 2028

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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.

During 2017, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit.

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00 %	1.88 %
Domestic equities	21.00	6.37
Real estate	6.00	5.91
International equities	22.00	7.88
Other investments	17.00	5.39
Total	100.00 %	4.98 %

Discount Rate - A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB liability as of December 31, 2017, calculated using the current period discount rate assumption of 3.85 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.85 percent) or one percentage point higher (4.85 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Commission's proportionate share of the net OPEB liability:			
Traditional Pension Plan	$ 517,224	$ 389,317	$ 285,841

NOTE 7 - DEFINED BENEFIT OPEB PLAN - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
Commission's proportionate share of the net OPEB liability:			
Traditional Pension Plan	$ 372,493	$ 389,317	$ 406,695

NOTE 8 - RISK MANAGEMENT

The Commission has obtained commercial insurance through the Webb Insurance Company for comprehensive property, data processing equipment, general liability and errors and omissions coverage. There was no significant reduction in insurance coverage from prior year and claims have not exceeded insurance coverage over the past three years.

The Commission also provides a high deductible health insurance through Anthem Blue Cross and dental, vision, and life insurance through Reliance. The Commission also offers a Health Savings Plan to full time employees.

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 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.

REQUIRED SUPPLEMENTARY INFORMATION

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LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE FISCAL YEARS

	2017	2016	2015	2014
Traditional Plan:				
Commission's proportion of the net pension liability	0.00364596%	0.00313068%	0.00360673%	0.00344881%
Commission's proportionate share of the net pension liability	$ 571,980	$ 710,925	$ 624,731	$ 415,965
Commission's covered-employee payroll	$ 467,752	$ 385,383	$ 422,825	$ 429,568
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	122.28%	184.47%	147.75%	96.83%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%

Note: Information prior to 2013 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Commission's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2013
0.00344881%
$ 406,569
$ 397,904
102.18%
86.36%

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	2018	2017	2016	2015
Traditional Plan:				
Contractually required contribution	$ 61,339	$ 58,469	$ 46,246	$ 50,739
Contributions in relation to the contractually required contribution	(61,339)	(58,469)	(46,246)	(50,739)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 454,363	$ 467,752	$ 385,383	$ 422,825
Contributions as a percentage of covered-employee payroll	13.50%	12.50%	12.00%	12.00%

Note: Information prior to 2013 was unavailable. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2014	2013
	$ 53,696	$ 45,759
	(53,696)	(45,759)
	$ -	$ -
	$ 429,568	$ 397,904
	12.50%	11.50%

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	2017	2016
Traditional Plan:		
Commission's proportion of the net OPEB liability	0.00358511%	0.00307166%
Commission's proportionate share of the net OPEB liability	$ 389,317	$ 310,248
Commission's covered-employee payroll	$ 467,752	$ 385,383
Commission's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	83.23%	80.50%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.14%

Note: Information prior to 2016 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Commission's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	2018	2017	2016
Traditional Plan:			
Contractually required contribution	$ 2,272	$ 7,016	$ 7,708
Contributions in relation to the contractually required contribution	(2,272)	(7,016)	(7,708)
Contribution deficiency (excess)	$ -	$ -	$ -
Commission's covered-employee payroll	$ 454,363	$ 467,752	$ 385,383
Contributions as a percentage of covered-employee payroll	0.500%	1.500%	2.00%

Note: Information prior to 2016 was unavailable. The Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

DEFINED BENEFIT PENSION PLAN:

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 - 2018.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disable member was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

DEFINED BENEFIT OPEB PLAN:

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017 and 2018.

SUPPLEMENTARY INFORMATION

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
ALLEN COUNTY, OHIO

SCHEDULE OF EXPENSES BY ELEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Number	Direct Labor	Other Direct	Indirect Cost	Total
Local				
101	$ 42,962	$ 13,386	$ 184,407	$ 240,755
ODOT				
601	43,385	3,600	67,148	114,133
602	8,227	215	12,734	21,176
605	32,832	3,259	50,815	86,906
610	22,181	1,738	34,330	58,249
674	35,186	2,512	54,472	92,170
697	1,358	158	2,102	3,618
Total ODOT	143,169	11,482	221,601	376,252
STP				
6058	29,056	36,020	44,970	110,046
6104	48,642	697	75,282	124,621
Total STP	77,698	36,717	120,252	234,667
FTA				
675	2,125	96	3,290	5,511
ODPS				
205	30,105	1,753	46,593	78,451
Grand Total	$ 296,059	$ 63,434	$ 576,143	$ 935,636

Notes to the Schedule of Expenses by Element

The Element of Project numbers used on the Schedule of Expenses by Element for identification purposes are:

Element	Funding Sources	Project
101	RPC	Local Expenses
205	ODPS	Community Traffic
601	ODOT/FHWA	Short Range Planning
602	ODOT/FHWA	Transportation Improvement Program
605	ODOT/FHWA	Surveillance
610	ODOT/FHWA	Long Range Planning
674	ODOT/FHWA	Specialized Transportation Program
697	ODOT/FHWA	Annual Report
675	ODOT/FTA	Mass Transportation
6058	ODOT/STP	Sustainability
6104	ODOT/STP	Long Range Transportation Planning

LIMA-ALLEN COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2017- June 30, 2018

		ESTIMATED FY 2018	ACTUAL FY 2018	VARIANCE (OVER BUDGET) UNDER BUDGET
EMPLOYEE WAGES				
Indirect Labor				
Acct. #	Acct. Name			
4110	Administrative Wages	$18,543.96	$15,735.61	$2,808.35
4130	Clarical Wages	$44,930.18	$34,213.06	$10,717.12
4120	Accounting Wages	$39,884.00	$27,280.53	$12,603.47
Subtotal - Indirect Labor		$103,358.14	$77,229.20	$26,128.94
Direct Labor				
Acct. #	Acct. Name			
4100	100 Gov. Serv.	$2,300.00	$7,750.45	($5,450.45)
4100	200 Safety Serv.	$4,500.00	$171.04	$4,328.96
4100	205 Public Safety	$25,000.00	$30,104.82	($5,104.82)
4100	300 Env. Services	$5,500.00	$4,731.89	$768.11
4100	400 Reg. Plan Serv	$6,800.00	$3,827.20	$2,972.80
4100	415 CDBG	$10,000.00	$5,787.41	$4,212.59
4100	500 Dev. Control	$27,000.00	$20,682.40	$6,317.60
4100	601 Short Term Plan.	$40,000.00	$43,385.25	($3,385.25)
4100	602 TIP	$9,200.00	$8,227.45	$972.55
4100	605 Surveliance	$65,000.00	$32,832.34	$32,167.66
4100	610 Long Term Plan	$10,000.00	$22,181.34	($12,181.34)
4100	674 Trans Coordination	$10,000.00	$35,195.72	($25,195.72)
4100	697 Annual Report	$2,500.00	$1,358.44	$1,141.56
4100	6058 Sustainability	$52,391.00	$29,056.17	$23,334.83
4100	6104 Long Range	$37,047.00	$48,641.11	($11,594.11)
4100	675 RTA Transit	$25,000.00	$2,125.87	$22,874.13
Subtotal - Direct Labor		$332,238.00	$296,058.90	$36,179.10
TOTAL EMPLOYEE WAGES		$435,596.14	$373,288.10	$62,308.04
FRINGE BENEFITS COST CENTER				
Paid Leave				
Acct. #	Acct. Name			
4160	Holiday	$13,331.50	$15,644.08	($2,312.58)
4150	Vacation	$25,904.00	$32,563.98	($6,659.98)
4140	Sick Leave	$19,485.00	$24,130.63	($4,645.63)
4170	Other Sal	$8,882.00	$7,657.20	$1,224.80
Subtotal - Paid Leave		$67,602.50	$79,995.89	($12,393.39)
Other Fringe Benefits				
Acct. #	Acct. Name			
4180	OtherBenefit	$0.00	$1,028.58	($1,028.58)
4220	PERS	$60,983.46	$63,610.50	($2,627.04)
4230	Workers Comp	$5,000.00	$4,726.07	$273.93
4200	Health Insurance	$69,000.00	$91,052.78	($22,052.78)
4210	Medicare	$6,316.14	$6,542.80	($226.66)
Subtotal - Other Fringe		$141,299.60	$166,960.73	($25,661.13)
TOTAL FRINGE BENEFITS		$208,902.10	$246,956.62	($38,054.52)

INDIRECT COST CENTER - NON-LABOR

Acct. #	Acct. Name			
4401	Office Supplies	$20,000.00	$10,361.18	$9,638.82
4480	Indirect Postage	$800.00	$749.29	$50.71
4475	Indirect copies	$12,000.00	$6,853.05	$5,146.95
4400	Indirect Sundry Supplies	$4,000.00	$20,097.12	($16,097.12)
4411	Electric	$16,000.00	$16,637.98	($637.98)
4412	Indirect Telephone	$4,000.00	$2.97	$3,997.03
4470	Indirect Vehicle	$500.00	$87.05	$412.95
4410	Indirec Cont Serv.	$40,000.00	$52,566.34	($12,566.34)
4413	Water Sewer	$2,000.00	$1,313.60	$686.40
4460	Indirect Repairs	$6,000.00	$1,706.44	$4,293.56
4450	Indirect Travel & Meetings	$500.00	$199.13	$300.87
4495	Depreciation	$20,000.00	$22,985.57	($2,985.57)
4491	Interest Expense	$200.00	$0.00	$200.00
4496	Software Amortization	$1,000.00	$0.00	$1,000.00
4402	Indirect Equipment	$10,000.00	$0.00	$10,000.00
4403	Indirect Software	$2,500.00	$0.00	$2,500.00
4486	Indirect Training	$1,000.00	$0.00	$1,000.00
4485	Indirect Sundry Expense	$5,000.00	$464.57	$4,535.43
TOTAL INDIRECT COSTS - NON-LABOR		$145,500.00	$134,024.29	$11,475.71

FRINGE BENEFIT COST RATE CALCULATION

TOTAL FRINGE BENEFITS	$208,902	$246,957	
TOTAL EMPLOYEE WAGES	$435,596	$373,288	
FRINGE BENEFIT COST RATE	**47.96%**	**66.16%**	**A ÷ B**

FRINGE BENEFIT COST RECOVERY COMPARISON

FY 2018

Should have recovered in fiscal year	$195,864	Actual DL * Actual Fringe Rate
Amount actually recovered in fiscal year	$141,983	Actual DL * Estimated Fringe Rate
Prior Year Net (Over) / Under Recovery	$0	
Prior Year (Over) / Under Recovery Posted to Cost Center	$0	
(Over) / Under Recovery of Fringe Benefits	$53,881	

FRINGE BENEFITS COST DISTRIBUTION

INDIRECT LABOR FRINGE BENEFITS	$49,568	$51,093
DIRECT LABOR FRINGE BENEFITS	$159,334	$195,864
TOTAL FRINGE BENEFITS	$208,902	$246,957

INDIRECT COST RATE CALCULATION

INDIRECT LABOR	$103,358	$77,229	
INDIRECT FRINGE BENEFITS	$49,568	$51,093	
OTHER INDIRECT COSTS	$145,500	$134,024	
TOTAL INDIRECT COSTS	$298,426	$262,346	
TOTAL DIRECT LABOR COSTS	$332,238	$296,059	
INDIRECT COST RATE	**89.82%**	**88.61%**	**A ÷ B**

INDIRECT COST RECOVERY COMPARISON

FY 2018

Should have recovered in fiscal year	$262,346	Actual DL * Actual Indirect Rate
Amount actually recovered in fiscal year	$265,929	Actual DL * Estimated Indirect Rate
(Over) / Under Recovery of Indirect Costs	($3,583)	

SUMMARY

	ESTIMATED FY 2018	ACTUAL FY 2018
FRINGE BENEFIT COST RATE	**47.96%**	**66.16%**
INDIRECT COST RATE	**89.82%**	**88.61%**
TOTAL OVERHEAD COST RATE	**137.78%**	**154.77%**

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

Lima-Allen Regional Planning Commission
Allen County
130 West North Street
Lima, Ohio 45801

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 Lima-Allen Regional Planning Commission, Allen County, Ohio (the Commission), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 17, 2018, wherein we noted the Commission adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 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 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.

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Compliance and Other Matters

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

BHM CPA Group

BHM CPA Group Inc.
Piketon, Ohio
December 17, 2018

OHIO AUDITOR OF STATE
KEITH FABER

LIMA – ALLEN REGIONAL PLANNING COMMISSION

ALLEN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 12, 2019

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