



**RICHLAND COUNTY REGIONAL PLANNING COMMISSION  
RICHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2018**



**RICHLAND COUNTY REGIONAL PLANNING COMMISSION  
RICHLAND COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statement of Net Position .....	11
Statement of Revenues, Expenses and Change in Net Position .....	12
Statement of Cash Flows .....	13
Notes to the Basic Financial Statements .....	15
Schedules of Required Supplementary Information .....	37
Notes to Required Supplementary Information .....	41
Other Information .....	42
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	45

**THIS PAGE INTENTIONALLY LEFT BLANK**



## INDEPENDENT AUDITOR'S REPORT

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

To Members of the Commission:

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

We have audited the accompanying financial statements of the Richland County Regional Planning Commission, Richland 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 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 overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richland County Regional Planning Commission, Richland County, Ohio, as of June 30, 2018, and the change in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3 to the financial statements, during 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 other post-employment benefit liabilities and pension and other post-employment benefit 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.

We did not subject 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2019, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

March 20, 2019

THIS PAGE INTENTIONALLY LEFT BLANK



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

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

The management's discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 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 notes to the financial statements and the basic financial statements to enhance their understanding of the Commission's financial performance.

**Financial Highlights**

Key financial highlights for 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"* and to restate capital asset balances for errors and omissions reported in prior fiscal years, as described in Note 3 to the basic financial statements.
- The Commission's assets increased \$29,602, which represents a 10.69% increase from fiscal year 2017. The increase is associated with an increase in receivables.
- Deferred outflows of resources decreased \$117,049 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension asset/liability and the net OPEB liability.
- Total liabilities decreased by \$291,024 from the total liabilities stated in fiscal year 2017 due to a decrease in the net pension liability and the net OPEB liability.
- Deferred inflows of resources increased by \$137,976 from fiscal year 2017 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension asset/liability and the net OPEB liability.
- Operating revenues decreased by \$75,965, which represents a 6.86% decrease primarily due to a decrease in revenues from the Transportation Coordination program, GIS and local reimbursements.
- Total operating expenses decreased by \$144,252 or 12.99%, due to the decreased costs associated with the Transportation Coordination program.

**Using this Annual Financial Report**

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

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

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

**Statement of Net Position**

The Statement of Net Position looks at how well the Commission has performed financially from inception through June 30, 2018. This Statement includes all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The 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 following schedule provides a summary of the Commission's Statement of Net Position for fiscal years ended June 30, 2018 and June 30, 2017:

	<b>Net Position</b>	
	<u>Fiscal Year 2018</u>	<u>(Restated) Fiscal Year 2017</u>
<b>Assets</b>		
Current assets	\$ 292,232	\$ 267,237
Noncurrent assets:		
Net pension asset	800	103
Capital assets, net of depreciation	<u>13,529</u>	<u>9,619</u>
Total noncurrent assets	<u>14,329</u>	<u>9,722</u>
Total assets	<u>306,561</u>	<u>276,959</u>
<b>Deferred outflows of resources</b>	<u>85,115</u>	<u>202,164</u>
<b>Liabilities</b>		
Current liabilities	71,548	55,444
Long-term liabilities:		
Compensated absences benefits	17,441	33,905
Net pension liability	299,924	567,379
Net OPEB liability	<u>290,049</u>	<u>313,258</u>
Noncurrent liabilities	<u>607,414</u>	<u>914,542</u>
Total liabilities	<u>678,962</u>	<u>969,986</u>
<b>Deferred inflows</b>	<u>225,523</u>	<u>87,547</u>
<b>Net position</b>		
Net investment in capital assets	13,529	9,619
Unrestricted (deficit)	<u>(526,338)</u>	<u>(588,029)</u>
Total net position (deficit)	<u>\$ (512,809)</u>	<u>\$ (578,410)</u>

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

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

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.

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

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

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 increased by \$65,601, primarily as a result of a reduction in the net pension liability and the net OPEB liability.

**Statement of Revenues, Expenses and Change in Net Position**

The Statement of Revenues, Expenses and Change in Net Position reports operating activities for the fiscal year ended June 30, 2018. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Change in Net Position for fiscal years ended June 30, 2018 and June 30, 2017.

	<b>Change in Net Position</b>	
	2018	2017
<b>Operating revenues</b>		
Federal	\$ 301,439	\$ 269,062
State	81,838	48,084
Local governments	103,258	92,831
Coordination revenue	456,229	515,491
GIS	-	10,222
Local reimbursements	86,116	160,301
Other	2,664	11,518
Total operating revenue	1,031,544	1,107,509
<b>Operating expenses</b>		
Salaries & wages	323,679	349,449
Employee benefits	158,560	234,059
Staff expenses	4,636	21,653
Equipment & supplies	40,381	15,077
Contractual services	15,334	13,179
Occupancy and other	32,494	32,655
Coordination service	387,993	438,908
Depreciation	2,866	5,215
Total expenses	965,943	1,110,195
Change in net position	65,601	(2,686)
Net position (deficit) at beginning of year (restated)	(578,410)	N/A*
Net position (deficit) at end of year	\$ (512,809)	\$ (578,410)

\*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.

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

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

Revenues in total decreased by \$75,965. The revenues of the Coordination Program decreased \$59,262 in fiscal year 2018 which is consistent with the decrease in Coordination Program costs, as this revenue represents reimbursement for coordination services provided. Operating expenses decreased by \$144,252, due mainly to a decrease in the Coordination Program of \$50,915 and a decrease in employee benefits as related to the net pension liability and the net OPEB liability of \$75,499.

**Capital Assets**

Capital assets were restated at June 30, 2017, as described in Note 4. As of June 30, 2018, the Commission had capital assets of \$13,529 invested in furniture and equipment. This figure is a \$3,910 increase compared to the amount presented for fiscal year 2017, as restated. See Note 4 for additional information on capital assets.

**Current Financial Issues**

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

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

Special Financial Management Notes for Fiscal Year 2018

- 1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For fiscal year 2018, the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2018	Actual FY 2018
Fringe Benefit Rate	64.12%	62.92%
Indirect Cost Rate	65.80%	67.18%
Total Overhead Cost Rate	129.92%	130.10%

- 2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A total of \$5,586 was booked in fiscal year 2018. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.

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

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

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

**Contacting the Commission's Financial Management**

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

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

STATEMENT OF NET POSITION  
JUNE 30, 2018

<b>Assets:</b>	
Current assets:	
Cash . . . . .	\$ 67,636
Receivables:	
Federal. . . . .	118,484
State. . . . .	4,397
Local government . . . . .	33,165
Coordination . . . . .	68,550
	292,232
Total current assets . . . . .	292,232
Noncurrent assets:	
Net pension asset. . . . .	800
Capital assets:	
Depreciable capital assets, net . . . . .	13,529
	14,329
Total noncurrent assets . . . . .	14,329
Total assets. . . . .	306,561
 <b>Deferred outflows of resources:</b>	
Pension - OPERS. . . . .	63,770
OPEB - OPERS . . . . .	21,345
	85,115
Total deferred inflows of resources . . . . .	85,115
 <b>Liabilities:</b>	
Current liabilities:	
Accounts payable. . . . .	50,556
Accrued wages and benefits . . . . .	18,189
Intergovernmental payable . . . . .	2,803
	71,548
Total current liabilities . . . . .	71,548
Noncurrent liabilities:	
Compensated absences payable. . . . .	17,441
Net pension liability . . . . .	299,924
Net OPEB liability . . . . .	290,049
	607,414
Total noncurrent liabilities . . . . .	607,414
Total liabilities . . . . .	678,962
 <b>Deferred inflows of resources:</b>	
Pension - OPERS . . . . .	174,502
OPEB - OPERS . . . . .	51,021
	225,523
Total deferred inflows of resources . . . . .	225,523
 <b>Net position:</b>	
Net investment in capital assets . . . . .	13,529
Unrestricted (deficit). . . . .	(526,338)
	(512,809)
Total net position (deficit) . . . . .	\$ (512,809)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

<b>Operating revenues:</b>	
Intergovernmental:	
Federal . . . . .	\$ 301,439
State . . . . .	81,838
Local governments. . . . .	103,258
Charges for services:	
Coordination. . . . .	456,229
Local. . . . .	86,116
Other . . . . .	2,664
	1,031,544
Total operating revenues . . . . .	
<b>Operating expenses:</b>	
Salaries and wages . . . . .	323,679
Employee benefits . . . . .	158,560
Staff expenses . . . . .	4,636
Equipment . . . . .	29,947
Supplies . . . . .	10,434
Contractual services . . . . .	15,334
Occupancy and other . . . . .	32,494
Coordination service. . . . .	387,993
Depreciation . . . . .	2,866
	965,943
Total operating expenses . . . . .	
Operating income/change in net position. . . . .	
	65,601
<b>Net position (deficit) at beginning</b>	
<b>of year (restated). . . . .</b>	<b>(578,410)</b>
<b>Net position (deficit) at end of year. . . . .</b>	
	<b>\$ (512,809)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

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

<b>Cash flows from operating activities:</b>	
Cash received from federal sources . . . . .	\$ 213,536
Cash received from state sources . . . . .	94,116
Cash received from local sources . . . . .	113,176
Cash received from coordination . . . . .	398,777
Cash received from other operating revenues. . . . .	89,095
Cash payments to employees for services . . . . .	(536,863)
Cash payments to suppliers for goods and services . . . . .	<u>(462,910)</u>
Net cash used in operating activities . . . . .	<u>(91,073)</u>
 <b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets. . . . .	<u>(6,776)</u>
Net decrease in cash. . . . .	(97,849)
<b>Cash at beginning of year . . . . .</b>	<u>165,485</u>
<b>Cash at end of year. . . . .</b>	<u><u>\$ 67,636</u></u>
 <b>Reconciliation of operating income to net cash received in operating activities:</b>	
Operating income . . . . .	\$ 65,601
Adjustments:	
Depreciation . . . . .	2,866
(Increase) decrease in assets and deferred outflows:	
Accounts receivable . . . . .	(122,844)
Increase in net pension asset . . . . .	(697)
Deferred outflows - pension . . . . .	136,474
Deferred outflows - OPEB . . . . .	(19,425)
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable . . . . .	17,928
Accrued wages and benefits . . . . .	(1,582)
Intergovernmental payable. . . . .	(242)
Compensated absences payable . . . . .	(16,464)
Net pension liability . . . . .	(267,455)
Net OPEB liability . . . . .	(23,209)
Deferred inflows - pension . . . . .	86,955
Deferred inflows - OPEB . . . . .	<u>51,021</u>
Net cash used in operating activities . . . . .	<u><u>\$ (91,073)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 1 - DESCRIPTION OF THE ENTITY**

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Basis of Presentation**

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

**B. Measurement Focus and Basis of Accounting**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

A deferred inflow of resources is an acquisition of net position and net OPEB 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 OPEB liability: (1) differences between expected and actual experience and (2) differences between employer's contributions and the employer's proportional share of 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 assets, (3) changes of assumptions, and (4) the Commission's contributions to the pension systems subsequent to the measurement date.

**C. Cash Deposits**

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

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

**D. Investments**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

**E. Capital Assets and Depreciation**

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

**F. Indirect Costs and Fringe Benefits**

Indirect costs are computed in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 under a cost allocation plan approved by the Ohio Department of Transportation. The Commission utilizes the Provisional Method to calculate over/ (underpayments) by the Ohio Department of Transportation. Under this method, an estimated or temporary overhead rate is calculated for the fiscal year. This rate is used for funding, interim reimbursement, and reporting indirect costs on Federal awards for the period. At the end of the fiscal year, an actual indirect cost rate is calculated. The entity then invoices or reimburses each funding agency for any under or over recovery. Under this method, there is no carry forward provision.

**G. Budgetary Accounting**

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

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

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

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

**H. Cash Equivalents**

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

**I. Compensated Absences**

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

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

**J. Operating Revenues (Expenses)**

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

**K. Use of Estimates**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

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

**L. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "investment in capital assets", consists of capital assets, net of accumulated depreciation. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. The Commission applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**M. Pensions/Other Postemployment Benefits (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 6 to the basic financial statements, and added required supplementary information which is presented on pages 38 - 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

In addition, net position at July 1, 2017 has been restated for errors and omissions reported in capital assets in prior years (see Note 4 for detail).

A net position restatement is required in order to implement GASB Statement No 75. In addition, the net position of governmental activities at July 1, 2017, has been restated to account for prior period adjustments to capital assets as a result of errors and omissions. Net position at July 1, 2017 has been restated as follows:

Net position as previously reported	\$ (254,185)
GASB Statement No. 75:	
Deferred outflows - payments subsequent to measurement date	1,920
Net OPEB liability	(313,258)
Adjustment for capital assets	<u>(12,887)</u>
Restated net position at July 1, 2017	<u>\$ (578,410)</u>

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**

Net position and capital assets balances have been restated at July 1, 2017, for errors and omissions reported in prior years. The adjustments had the following effect on the Commission's capital asset balances:

	Balance <u>June 30, 2017</u>	Adjustments <u></u>	Balance <u>June 30, 2017</u>
Furniture and Equipment	\$ 156,604	\$ (85,935)	\$ 70,669
Accumulated Depreciation	(134,098)	73,048	(61,050)
Book Value	<u>\$ 22,506</u>	<u>\$ 12,887</u>	<u>\$ 9,619</u>

A summary of the Commission's capital assets at June 30, 2018 is as follows:

	Balance <u>June 30, 2017</u>	Additions <u></u>	Deletions <u></u>	Balance <u>June 30, 2018</u>
Furniture and Equipment	\$ 70,669	\$ 6,776	\$ (11,869)	\$ 65,576
Accumulated Depreciation	(61,050)	(2,866)	11,869	(52,047)
Book Value	<u>\$ 9,619</u>	<u>\$ 3,910</u>	<u>\$ -</u>	<u>\$ 13,529</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability/Asset***

The net pension liability/asset reported on the statement of net position represents a liability or asset 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/asset 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/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

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

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

The proportionate share of each plan's unfunded benefits or overfunded benefits is presented as a long-term *net pension liability* or *net pension asset*, respectively, 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 both the accrual basis of accounting.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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):

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (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 and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits (July - December)	1.0 %
Post-employment Health Care Benefits (January - June)	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The Commission's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$49,252 for fiscal year 2018. Of this amount, \$2,547 is reported as intergovernmental payable.

***Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability and net pension asset for the OPERS Traditional Pension Plan and Combined Plan, respectively, were measured as of December 31, 2017, and the total pension liability or asset 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 pension expense:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.00249855%	0.02476772%	
Proportion of the net pension liability/asset current measurement date	<u>0.00191180%</u>	<u>0.02290947%</u>	
Change in proportionate share	<u>-0.00058675%</u>	<u>-0.00185825%</u>	
Proportionate share of the net pension liability	\$ 299,924	\$ -	\$ 299,924
Proportionate share of the net pension asset	-	(800)	(800)
Pension expense	(18,490)	(260)	(18,750)

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

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 307	\$ 1,555	\$ 1,862
Changes of assumptions	35,841	94	35,935
Commission contributions subsequent to the measurement date	<u>25,973</u>	<u>-</u>	<u>25,973</u>
Total deferred outflows of resources	<u>\$ 62,121</u>	<u>\$ 1,649</u>	<u>\$ 63,770</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 5,912	\$ -	\$ 5,912
Net difference between projected and actual earnings on pension plan investments	64,390	224	64,614
Changes in employer's proportionate percentage/difference between employer contributions	<u>103,976</u>	<u>-</u>	<u>103,976</u>
Total deferred inflows of resources	<u>\$ 174,278</u>	<u>\$ 224</u>	<u>\$ 174,502</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)**

\$25,973 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset 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:

Year Ending December 31:	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>Total</u>
2019	\$ (44,236)	\$ 179	\$ (44,057)
2020	(39,082)	176	(38,906)
2021	(28,352)	143	(28,209)
2022	(26,460)	146	(26,314)
2023	-	217	217
Thereafter	-	564	564
Total	<u>\$ (138,130)</u>	<u>\$ 1,425</u>	<u>\$ (136,705)</u>

***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.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.50%
Actuarial cost method	Individual entry age

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (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
<b>Total</b>	<b>100.00 %</b>	<b>5.66 %</b>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 5 - DEFINED BENEFIT PENSION PLANS - (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 and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 and Combined 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 (asset):			
Traditional Pension Plan	\$ 532,589	\$ 299,924	\$ 105,952
Combined Plan	(458)	(800)	(1,145)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS**

***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 District'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 District'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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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 - Ohio Public Employees Retirement System (OPERS)***

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

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

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 115 Trust 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.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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):

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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 Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
<b>2018 Actual Contribution Rates</b>	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits (July - December)	1.0 %
Post-employment Health Care Benefits (January - June)	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The Commission's contractually required contribution for OPEB was \$1,824 for fiscal year 2018.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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	0.00310146%
Proportion of the net OPEB liability current measurement date	<u>0.00267099%</u>
Change in proportionate share	<u>-0.00043047%</u>
Proportionate share of the net OPEB liability	\$ 290,049
OPEB expense	8,387

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
<b>Deferred outflows of resources</b>	
Differences between expected and actual experience	\$ 226
Changes of assumptions	<u>21,119</u>
Total deferred outflows of resources	<u>\$ 21,345</u>
<b>Deferred inflows of resources</b>	
Net difference between projected and actual earnings on OPEB plan investments	\$ 21,606
Changes in employer's proportionate percentage difference between employer contributions	<u>29,415</u>
Total deferred inflows of resources	<u>\$ 51,021</u>

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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	\$ (9,261)
2020	(9,261)
2021	(5,754)
2022	(5,400)
Total	\$ (29,676)

***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 Measurement 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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (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.

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
REITs	6.00	5.91
International equities	22.00	7.88
Other investments	17.00	5.39
<b>Total</b>	<b>100.00 %</b>	<b>4.98 %</b>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**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 ▼ (2.85%)	Current Discount Rate ▼ (3.85%)	1% Increase ▼ (4.85%)
Commission's proportionate share of the net OPEB liability	\$ 385,343	\$ 290,049	\$ 212,958

  

	1% Decrease	Current Trend Rate	1% Increase
Commission's proportionate share of the net OPEB liability	\$ 277,515	\$ 290,049	\$ 302,997

**NOTE 7 - LONG TERM LIABILITIES**

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		Balance	
	June 30, 2017	Additions	Deletions	June 30, 2018
Compensated Absences Benefits	\$ 33,905	\$ 33,272	\$ (49,736)	\$ 17,441
Net Pension Liability	567,379	-	(267,455)	299,924
Net OPEB Liability	313,258	-	(23,209)	290,049
Total	<u>\$ 914,542</u>	<u>\$ 33,272</u>	<u>\$ (340,400)</u>	<u>\$ 607,414</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 8- RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. Through Richland County, the Commission maintained coverage with the County Risk Sharing Commission (CORSA), as follows:

General Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate
Auto Liability:	Limit: \$1,000,000 per Occurrence – No Annual Aggregate Auto Medical Payments \$5,000 Each Person, \$50,000 Each Accident
Public Officials Liability:	\$1,000,000 per Occurrence - \$1,000,000 Annual Aggregate
Crime Coverage:	Employee Dishonesty \$1,000,000 Money Orders and Counterfeit Paper Currency \$1,000,000 Depositor's Forgery \$1,000,000 Money and Securities \$1,000,000 Money Orders and Counterfeit Paper \$1,000,000 Fund Transfer Fraud \$500,000 Computer Fraud \$500,000
Property Coverage:	Combined Limits: Property Damage, Business Income, Extra Expense, Service Interruption - \$100,000,000 each breakdown Real and Personal Property - Replacement Cost Flood - \$100,000,000 Each Occurrence Earthquake - \$100,000,000 Each Occurrence Accounts Receivable - \$1,000,000 Auto Physical Damage - Actual Cash Value or Cost of Repair, whichever is less Automatic Acquisition - \$5,000,000
Excess Liability:	Richland County \$5,000,000 per Occurrence - No Annual Aggregate
Errors & Omissions Liability:	\$1,000,000 per Occurrence - Annual Aggregate

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

**NOTE 9 - RISK SHARING POOL**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

**NOTE 9 - RISK SHARING POOL - (Continued)**

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

**NOTE 10 - CONTINGENCIES**

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

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



**RICHLAND 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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>					
Commission's proportion of the net pension liability	0.001911800%	0.002498550%	0.003479198%	0.003915000%	0.003915000%
Commission's proportionate share of the net pension liability	\$ 299,924	\$ 567,379	\$ 602,641	\$ 472,185	\$ 406,569
Commission's covered-employee payroll	\$ 293,608	\$ 319,150	\$ 436,625	\$ 449,150	\$ 397,238
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	102.15%	177.78%	138.02%	105.13%	102.35%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	77.25%	81.08%	86.45%	86.36%
<i>Member Directed Plan:</i>					
Commission's proportion of the net pension asset	0.022909471%	0.024767720%			
Commission's proportionate share of the net pension asset	\$ 800	\$ 103			
Commission's covered-employee payroll	\$ 97,400	\$ 105,875			
Commission's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.82%	0.10%			
Plan fiduciary net position as a percentage of the total pension asset	124.46%	103.40%			

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.

Note: Information prior to 2016 was not available for the Member Directed Plan.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>						
Contractually required contribution	\$ 35,631	\$ 36,701	\$ 38,298	\$ 52,395	\$ 53,898	\$ 51,641
Contributions in relation to the contractually required contribution	<u>(35,631)</u>	<u>(36,701)</u>	<u>(38,298)</u>	<u>(52,395)</u>	<u>(53,898)</u>	<u>(51,641)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 263,933	\$ 293,608	\$ 319,150	\$ 436,625	\$ 449,150	\$ 397,238
Contributions as a percentage of covered-employee payroll	13.50%	12.50%	12.00%	12.00%	12.00%	13.00%
<i>Member Directed Plan:</i>						
Contractually required contribution	\$ 13,621	\$ 12,175	\$ 12,705			
Contributions in relation to the contractually required contribution	<u>(13,621)</u>	<u>(12,175)</u>	<u>(12,705)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Commission's covered-employee payroll	\$ 100,896	\$ 97,400	\$ 105,875			
Contributions as a percentage of covered-employee payroll	13.50%	12.50%	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.

Note: Information prior to 2016 was not available for the Member Directed Plan.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND 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

	<u>2017</u>	<u>2016</u>
Commission's proportion of the net OPEB liability	0.00267099%	0.00310146%
Commission's proportionate share of the net OPEB liability	\$ 290,049	\$ 313,258
Commission's covered-employee payroll	\$ 391,008	\$ 425,025
Commission's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	74.18%	73.70%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	54.14%

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.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION**

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,824	\$ 5,865	\$ 8,501	\$ 7,485	\$ 6,468	\$ 11,226
Contributions in relation to the contractually required contribution	<u>(1,824)</u>	<u>(5,865)</u>	<u>(8,501)</u>	<u>(7,485)</u>	<u>(6,468)</u>	<u>(11,226)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 364,829	\$ 391,008	\$ 425,025	\$ 436,625	\$ 449,150	\$ 397,238
Contributions as a percentage of covered-employee payroll	0.50%	1.50%	2.00%	2.00%	2.00%	1.00%

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

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

---

**PENSION**

---

*OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)*

*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 were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

---

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

---

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

*Changes in assumptions*: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2017-2018. For fiscal year 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

**RICHLAND 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	ESTIMATED FY 2018
<b>EMPLOYEE WAGES</b>					
<b>Indirect Labor</b>					
Acct. #	Acct. Name				
12	Indirect Labor	\$82,853.56	\$75,137.43	\$7,716.13	\$82,853.56
				\$0.00	
				\$0.00	
<b>Subtotal - Indirect Labor</b>		\$82,853.56	\$75,137.43	\$7,716.13	\$82,853.56
<b>Direct Labor</b>					
Acct. #	Acct. Name				
204.15	CDBG Admin & Fair Housing	\$9,411.93	\$7,369.18	\$2,042.75	\$9,411.93
206.1	District 16 OPWC	\$6,409.36	\$6,323.43	\$85.93	\$6,409.36
207.1	District 16 NRAC	\$1,890.26	\$1,862.01	\$28.25	\$1,890.26
601.1	Short Range Transportation Planning	\$64,468.15	\$56,061.75	\$8,406.40	\$64,468.15
602.1	TIP	\$17,254.79	\$15,171.88	\$2,082.91	\$17,254.79
605.1	Surveillance	\$54,690.99	\$36,731.57	\$17,959.42	\$54,690.99
610.1	Long Range Transportation Planning	\$5,176.44	\$5,726.17	(\$549.73)	\$5,176.44
625.1	Planning Assistance	\$17,254.79	\$11,080.05	\$6,174.74	\$17,254.79
630.1	Participation in Statewide Planning	\$3,450.96	\$982.76	\$2,468.20	\$3,450.96
695.1	Program Supervision	\$0.00	\$0.00	\$0.00	\$0.00
697.1	Transportation Program Reporting	\$25,882.19	\$28,907.02	(\$3,024.83)	\$25,882.19
674.2	RCTB General	\$37,320.73	\$36,650.86	\$669.87	\$37,320.73
674.4	Agency Coordination	\$32,281.11	\$26,923.89	\$5,357.22	\$32,281.11
901.1	Local Service	\$9,053.75	\$5,962.28	\$3,091.47	\$9,053.75
920	Development Regulations	\$3,017.92	\$5,551.65	(\$2,533.74)	\$3,017.92
801.1	Safe Communities	\$9,013.28	\$3,237.03	\$5,776.25	\$9,013.28
915.1	GIS Project	\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00
				\$0.00	\$0.00
916.1	GIS External - FB only to apply	\$0.00	\$0.00	\$0.00	\$0.00
				\$0.00	\$0.00
<b>Subtotal - Direct Labor</b>		\$296,576.64	\$248,541.53	\$48,035.11	\$296,576.64
<b>TOTAL EMPLOYEE WAGES</b>		<u>\$379,430.20</u>	<u>\$323,678.96</u>	<u>\$55,751.24</u>	<u>\$379,430.20</u>
<b>FRINGE BENEFITS COST CENTER</b>					
<b>Paid Leave</b>					
Acct. #	Acct. Name				
211	Holiday Leave Taken	\$16,547.03	\$14,160.26	\$2,386.77	\$16,547.03
2122	Vacation Leave Accrued	\$25,881.23	\$24,770.86	\$1,110.37	\$25,881.23
221	Sick Leave Taken & pd at retirement	\$23,475.33	\$18,359.28	\$5,116.05	\$23,475.33
				\$0.00	
				\$0.00	
				\$0.00	
<b>Subtotal - Paid Leave</b>		\$65,903.59	\$57,290.40	\$8,613.19	\$65,903.59
<b>Other Fringe Benefits</b>					
Acct. #	Acct. Name				
22	PERS (Employer Share)	\$61,227.42	\$52,157.28	\$9,070.14	\$61,227.42
23	Workers Compensation	\$5,000.00	\$2,728.00	\$2,272.00	\$5,000.00
24	Medicare	\$6,341.41	\$5,441.74	\$899.67	\$6,341.41
251	Health Ins., Dental, VEBA, & Buyout	\$103,484.82	\$84,914.82	\$18,570.00	\$103,484.82
252	Life - County	\$126.00	\$104.40	\$21.60	\$126.00
253	Life - RCRPC	\$1,224.00	\$1,007.22	\$216.78	\$1,224.00
26	Unemployment Compensation	\$0.00	\$0.00	\$0.00	\$0.00
<b>Prior Year Rate Adjustment</b>				\$0.00	
<b>Subtotal - Other Fringe</b>		\$177,403.65	\$146,353.46	\$31,050.19	\$177,403.65
<b>TOTAL FRINGE BENEFITS</b>		<u>\$243,307.24</u>	<u>\$203,643.86</u>	<u>\$39,663.38</u>	<u>\$243,307.24</u>

**RICHLAND 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	ESTIMATED FY 2018
<b>INDIRECT COST CENTER - NON-LABOR</b>					
Acct. #	Acct. Name				
311	Mileage, parking Reimbursement	\$200.00	\$135.31	\$64.69	\$200.00
313	Lodging Reimbursement	\$300.00	\$246.00	\$54.00	\$300.00
32.02	Vehicle Exp Applied by WE miles	\$50.00	\$10.27	\$39.73	\$50.00
33	Professional Memberships	\$400.00	\$429.00	(\$29.00)	\$400.00
34	Local Registration/Conference	\$300.00	\$195.00	\$105.00	\$300.00
35	Other Registration/Conference	\$0.00	\$634.00	(\$634.00)	\$0.00
36	RCRPC Meeting expense	\$250.00	\$170.00	\$80.00	\$250.00
37	Parking for staff and agency vehicle	\$2,000.00	\$1,760.00	\$240.00	\$2,000.00
40	Equipment - other	\$0.00	\$0.00	\$0.00	\$0.00
41	Leases - Copy Service	\$2,000.00	\$2,175.36	(\$175.36)	\$2,000.00
42	Maintenance	\$0.00	\$0.00	\$0.00	\$0.00
43	Purchases	\$1,500.00	\$233.14	\$1,266.86	\$1,500.00
44	Depreciation	\$3,500.00	\$1,529.58	\$1,970.42	\$3,500.00
51	Office (supplies, etc.)	\$3,500.00	\$3,622.63	(\$122.63)	\$3,500.00
53	Postage	\$500.00	\$595.88	(\$95.88)	\$500.00
55	Publications	\$600.00	\$350.12	\$249.88	\$600.00
56	Software	\$150.00	\$0.00	\$150.00	\$150.00
61	Printing	\$0.00	\$0.00	\$0.00	\$0.00
62	Legal Services & Public Notices	\$500.00	\$322.70	\$177.30	\$500.00
64	Other Consultants & Misc.	\$1,000.00	\$239.00	\$761.00	\$1,000.00
71	Occupancy - Rent	\$30,625.00	\$30,624.96	\$0.04	\$30,625.00
73	Occupancy - telephones	\$2,000.00	\$1,869.52	\$130.48	\$2,000.00
74	Other - moving expenses	\$10,000.00	\$0.00	\$10,000.00	\$10,000.00
4300	Non-Budgeted Revenue	(\$200.00)	(\$589.20)	\$389.20	(\$200.00)
	Prior Year Rate Adjustment			\$0.00	
	<b>TOTAL INDIRECT COSTS - NON-LABOR</b>	<u>\$59,175.00</u>	<u>\$44,553.27</u>	<u>\$14,621.73</u>	<u>\$59,175.00</u>
<b>FRINGE BENEFIT COST RATE CALCULATION</b>					
TOTAL FRINGE BENEFITS	A	\$243,307	\$203,644		\$243,307
TOTAL EMPLOYEE WAGES	B	\$379,430	\$323,679		\$379,430
<b>FRINGE BENEFIT COST RATE</b>		<b>64.12%</b>	<b>62.92%</b>	<b>A ÷ B</b>	<b>64.12%</b>
<b>FRINGE BENEFIT COST RECOVERY COMPARISON</b>					
<b>FY 2018</b>					
Should have recovered in fiscal year	+		\$156,371	Actual DL * Actual Fringe Rate	
Amount actually recovered in fiscal year	-		\$159,376	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	=		(\$3,005)		
<b>FRINGE BENEFITS COST DISTRIBUTION</b>					
INDIRECT LABOR FRINGE BENEFITS		\$53,129	\$47,273		\$53,129
DIRECT LABOR FRINGE BENEFITS		\$190,178	\$156,371		\$190,178
<b>TOTAL FRINGE BENEFITS</b>		<u>\$243,307</u>	<u>\$203,644</u>		<u>\$243,307</u>

**RICHLAND 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	ESTIMATED FY 2018
<b>INDIRECT COST RATE CALCULATION</b>					
INDIRECT LABOR		\$82,854	\$75,137		\$82,854
INDIRECT FRINGE BENEFITS		\$53,129	\$47,273		\$53,129
OTHER INDIRECT COSTS		\$59,175	\$44,553		\$59,175
TOTAL INDIRECT COSTS	<b>A</b>	\$195,158	\$166,964		\$195,158
TOTAL DIRECT LABOR COSTS * (see note 1)	<b>B</b>	\$296,577	\$248,542		\$296,577
<b>INDIRECT COST RATE</b>		<b>65.80%</b>	<b>67.18%</b>	<b>A + B</b>	<b>65.80%</b>
<b>INDIRECT COST RECOVERY COMPARISON</b>					
<b>FY 2018</b>					
Should have recovered in fiscal year	+		\$166,964	Actual DL * Actual Indirect Rate	
Amount actually recovered in fiscal year	-		\$163,549	Actual DL * Estimated Indirect Rate	
Prior Year Net (Over) / Under Recovery	+		\$0		
Prior Year (Over) / Under Recovery Posted to Cost Center	-		\$0		
(Over) / Under Recovery of Indirect Costs	=		\$3,415		
<b>SUMMARY</b>					
		ESTIMATED FY 2018	ACTUAL FY 2018		ESTIMATED FY 2018
FRINGE BENEFIT COST RATE		64.12%	62.92%		64.12%
INDIRECT COST RATE		65.80%	67.18%		65.80%
<b>TOTAL OVERHEAD COST RATE</b>		<b>129.93%</b>	<b>130.09%</b>		<b>129.93%</b>



# OHIO AUDITOR OF STATE KEITH FABER



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

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

To Members of the Commission:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, (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 and have issued our report thereon dated March 20, 2019, 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.

***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 communication is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

March 20, 2019

# OHIO AUDITOR OF STATE KEITH FABER



**RICHLAND COUNTY REGIONAL PLANNING COMMISSION**

**RICHLAND COUNTY**

### **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 16, 2019**