TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS

LUCAS COUNTY, OHIO

Audit Report

For the Year Ended June 30, 2019

Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Board of Trustees
Toledo Metropolitan Area Council of Governments
300 Martin Luther King Jr. Drive, Suite 300
Toledo, Ohio 43604

We have reviewed the *Independent Auditor's Report* of the Toledo Metropolitan Area Council of Governments, Lucas County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Toledo Metropolitan Area Council of Governments is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

February 14, 2020

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TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY
AUDIT REPORT
For the Year Ending June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Toledo Metropolitan Area Council of Governments
Lucas County
300 Martin Luther King Jr. Drive, Suite 300
Toledo, Ohio 43604

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the enterprise fund, and the aggregate remaining fund information of the Toledo Metropolitan Area Council of Governments, Lucas County, Ohio (TMACOG) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise TMACOG's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to TMACOG's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of TMACOG's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and the aggregate remaining fund information of the Toledo Metropolitan Area Council of Governments, Lucas County, Ohio, as of June 30, 2019, and the respective change in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension liabilities, OPEB liabilities, and pension and OPEB contributions listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise TMACOG's basic financial statements. The Schedules of Fringe Benefit Cost Rate, Indirect Cost Rate, and Revenue and Expenses for U.S. Department of Transportation Funds, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2019, on our consideration of TMACOG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TMACOG's 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 TMACOG's internal control over financial reporting and compliance.

Charles E. Harris & Associates, Inc.
December 6, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

The discussion and analysis of the Toledo Metropolitan Area Council of Governments' (TMACOG) financial performance provides an overall review of TMACOG's financial activities for the year ended June 30, 2019. This information should be read in conjunction with the basic financial statements included in this report.

FINANCIAL HIGHLIGHTS

- Total Net Position decreased by $171,544.
- Total expenses increased by $224,167 to $2,882,533 while total operating revenue plus non-operating revenue increased by $91,927 to $2,710,989.
- Federal and state support increased by $29,508 to $1,628,066 while local support increased by $59,875 to $1,078,814.
- After amortizing net pension expense due to net pension liability and net OPEB liability, TMACOG's net position on June 30, 2019 is -$1,681,816.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to TMACOG's basic financial statements. TMACOG's basic financial statements are the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position, the Statement of Cash Flows for the Major Enterprise Fund, the Statement of Net Position – Fiduciary Fund, and the accompanying notes to the financial statements. These statements report information about TMACOG as a whole and about its activities. TMACOG is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. TMACOG also has a small agency fund using fiduciary fund accounting to record restricted funds being held for partners of the Wabash Cannonball Rails-to-Trails project. The statements are presented using economic resources measurement and the accrual basis of accounting.

The Statement of Net Position presents TMACOG's financial position and reports the resources owned by TMACOG (assets and deferred outflows of resources), obligations owed by TMACOG (liabilities and deferred inflows of resources) and TMACOG's net position (the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources). The Statement of Revenue, Expenses and Changes in Net Position presents a summary of how TMACOG's net position changed during the year. Revenue is reported when earned and expenses are reported when incurred. The Statement of Cash Flows provides information about TMACOG's cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing and financing activities. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements.

FINANCIAL ANALYSIS OF TMACOG

The following tables provide a summary of TMACOG's financial positions and operations for 2019 and 2018, respectively:

Condensed Statement of Net Position
June 30,

	2019	2018	Change Amount	%
Assets				
Current Assets	$1,415,632	$1,932,164	($516,532)	(26.73%)
Noncurrent Assets	77,385	64,941	12,444	19.16%
Total Assets	1,493,017	1,997,105	(504,088)	(25.24%)
Deferred Outflows of Resources				
Pension	521,849	213,950	307,899	143.91%
OPEB	88,974	71,682	17,292	24.12%
Total Deferred Outflows of Resources	610,823	285,632	325,191	113.85%
Liabilities				
Current Liabilities	463,790	1,088,295	(624,505)	(57.38%)
Net Pension Liability	1,926,744	1,198,568	728,176	60.75%
Net OPEB Liability	1,134,536	974,076	160,460	16.47%
Noncurrent Liabilities	135,566	120,279	15,287	12.71%
Total Liabilities	3,660,636	3,381,218	279,418	8.26%
Deferred Inflows of Resources				
Pension	102,425	339,229	(236,804)	(69.81%)
OPEB	22,595	72,562	(49,967)	(68.86%)
Total Deferred Inflows of Resources	125,020	411,791	(286,771)	(69.64%)
Net Position				
Net Investment in Capital Assets	77,385	64,941	12,444	19.16%
Unrestricted	(1,759,201)	(1,575,213)	(183,988)	11.68%
Total Net Position	($1,681,816)	($1,510,272)	($171,544)	11.36%

During 2019, net position related to operations, including the net pension liability and the OPEB liability, decreased by $171,544. The decrease was due primarily to the following:

- Cash and cash equivalents increased $297,943.

- Total receivables decreased by $185,827. Federal and state receivables decreased by $157,305 while local receivables decreased by $28,522. Receivables due from the Ohio Auditor of State for federal and state funded transportation programs and water quality programs were $174,624 lower at year end. Federal receivable from SEMCOG for the transportation program was $2,406 higher at year end. Federal and state receivables from other sources increased by $14,913. The local receivables decrease of $28,522 is mostly attributable to outstanding dues invoices on 6/30/18 of $26,126 versus an outstanding balance on 6/30/19 of $1,375. The remainder of the change is local receivables is attributable to various sponsor, registration, project partner, and miscellaneous sources.

- Noncurrent Assets increased by $12,444 reflecting the change in the total value of depreciable capital assets.

- Deferred Outflows increased by $325,191.

- Total liabilities increased by $279,418.

- Current liabilities decreased by $624,505. The closing of the note payable to the State of Ohio for the City of Toledo SIB loan totaling $623,529 accounts for almost all the total change. Small changes in the value of the liabilities for general accounts payable, accrued compensation payable, compensated absences payable, deferred dues, and due from others account for the balance of the overall change.

- Other liabilities increased by $903,923 due to an increase in the Net Pension Liability balance of $728,176, an increase in the Net OPEB Liability balance of $160,460 and an increase in the Noncurrent Liability for Compensated Absences balance of $15,287.

- Deferred Inflows decreased by $286,771.

Net Pension Liability

In prior years, TMACOG adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. In 2018, TMACOG adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension," which significantly revises accounting for other postemployment benefit (OPEB) costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of TMACOG's actual financial condition by adding deferred inflows related to pension and OPEB, 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/OPEB costs, GASB 27 and GASB 45 focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension/OPEB accounting; however, the nature of Ohio's statewide pension/OPEB systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

GASB notes that pension 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/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, TMACOG is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefits recipients. The retirement systems may allocate a portion of the employer contributions to provide these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB liability. As explained above, changes in pension/OPEB benefits, contribution rates, and return on investments affect the balance of the net pension/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/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/OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, TMACOG's statements prepared on an accrual basis of accounting include an annual pension/OPEB expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

Because of GASB 68 and GASB 75, TMACOG is reporting a net pension/OPEB liability and deferred inflows/outflows of resources related to pension/OPEB on the accrual basis of accounting.

Changes in Net Position – The following table shows the changes in revenues and expenses for TMACOG for 2019 and 2018:

Condensed Statement of Revenue, Expenses and Changes in Net Position
June 30,

	2019	2018	Change Amount	%
Operating Revenue:				
Local Dues & Assessments	$826,139	$781,946	$44,193	5.65%
Other Local Support	252,675	236,993	15,682	6.62%
Total Operating Revenue	1,078,814	1,018,939	59,875	5.88%
Operating Expenses:				
Total Personnel Costs	2,033,346	1,779,724	253,622	14.25%
Consultant/Contractual/Pass-through	325,260	293,841	31,419	10.69%
All Other Operating Expenses	523,927	584,801	(60,874)	(10.41%)
Total Operating Expenses	2,882,533	2,658,366	224,167	8.43%
Operating Loss	(1,803,719)	(1,639,427)	(164,292)	(10.02%)
Non-Operating Revenue:				
Federal	1,428,006	1,381,790	46,216	3.34%
State	200,060	216,768	(16,708)	(7.71%)
Investment Related	4,109	1,565	2,544	162.56%
Total Non-Operating Revenue	1,632,175	1,600,123	32,052	2.00%
Change in Net Position	(171,544)	(39,304)	(132,240)	336.45%
Net Position at July 1	(1,510,272)	(1,470,968)	(39,304)	2.67%
Net Position at June 30	($1,681,816)	($1,510,272)	($171,544)	11.36%

Some significant factors impacting the Statement of Revenue, Expenses and Changes in Net Position include the following:

- Operating Revenue increased by $59,875 due to:
  - Increase of in-kind revenue of $4,073.
  - Clear Choice Coalition Dues of $13,540.
  - Increase in event sponsorships and registrations of $5,022.
  - Membership dues increased by $26,875.
  - Revenue for Stormwater and transportation assessments increased by $3,868.
  - Other local revenue decreased by $16,631.

- Personnel costs increased by $83,399 as full staffing was maintained through the majority of the year while fringe benefit costs increased by $170,223. The fringe benefit figure includes $276,674 applicable to allocated pension and OPEB expense per GASB 68 & 75 requirements. The actual cost of benefits provided to TMACOG staff increased from $399,892 to $432,687.

- Consultant and contractual costs decreased by $32,215.

- Pass-through farmer subsidies and contributed in-kind service, both associated with a water quality program offering incentives to farmers to implement best management practices, resulted in increased expenses of $59,561 and $4,073 respectively in 2019.

- Other operating expenses decreased by $60,874. The most significant factors include:
  - A $29,201 decrease in advertising and promotion costs primarily associated with the statewide rideshare program Gohio Commute and with the air quality education program.
  - One-time bike counter purchase in 2018 offset by furniture purchases in 2019 resulted in a decrease in equipment & furniture expense of $15,957.
  - Reduced printing by outside vendors led to decreased printing and graphics costs of $15,995.
  - Auto and travel costs increased by $12,161 due to greater attendance at professional development conferences and events.

- Federal Revenue increased by $46,216 due primarily to:
  - Total transportation funding from the United States Department of Transportation (USDOT) passed through ODOT increased by $90,286.
    - Transportation funding for planning work increased by $89,356.
    - Funding for the STP and CMAQ funded projects decreased in total by $14,162.
    - Funding from the JARC program through TARTA decreased by $587.
    - Planning funds from FHWA/MDOT passed through SEMCOG increased by $15,679.

  - Funding from USEPA for a variety of projects in support of the water quality planning program decreased by $37,400.
  - Funding from the United States Department of Commerce for a water quality planning program ended in 2018 resulting in decreased federal funding of $6,670.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, TMACOG had $77,385 net of accumulated depreciation invested in furniture, fixtures, equipment and automobiles. This amount represents a net increase of $12,444 or 19.16% as compared to 2018. The following table shows fiscal year 2019 and 2018 historical cost balances:

Capital Assets at June 30,	2019	2018	Change
Equipment	$63,132	$63,132	$0
Computers	58,540	50,209	8,331
Furniture	172,516	172,516	0
Vehicles	12,690	12,690	0
Leasehold Improvement	19,986	0	19.986
Total Capital Assets	$326,864	$298,547	28,317
Less: Accumulated Depreciation	249,479	233,606	15,873
Net Balance	$77,385	$64,941	$12,444

See Note 5 of the financial statements for further information.

Debt

TMACOG was party to separate agreements with the City of Toledo and the Ohio Department of Transportation relating to a $4.505 million loan from the State of Ohio State Infrastructure Bank Loan providing additional funding for the renovation and preservation of the Martin Luther King Jr. Memorial Bridge. Final payments on these agreements were made during 2019 and the debt is no longer reported on the TMACOG financial statements.

Operating Lease Commitments

At June 30, 2019, a lease for TMACOG's office space, and two copy machines represented future obligations totaling $434,749. These operating leases expire at various dates between 2019 and 2022. See Note 7 of the financial statements for further information on TMACOG debt.

ECONOMIC FACTORS

TMACOG relies on federal, state, and local grants and contracts, along with member dues, to fund its various programs. At present these revenue sources appear to be secure for the foreseeable future. TMACOG experienced positive financial results for the second consecutive year.

The transportation funds received by TMACOG are allocated by the state of Ohio. The funding level rose in 2020 for the fourth consecutive year. The federal transportation funding law, known as FAST Act, indicates MPOs will continue to see funding growth throughout its 5-year life.

The federal and state funds received in support of the water quality program remain unchanged from previous years and indications are that they will remain near current levels. TMACOG continues to pursue additional competitive grants whenever possible. Partnering with members on regional projects has proven to be the most effective method to successful grant applications and TMACOG will continue to look for these opportunities

Membership retention was very strong in 2020 as only six members chose not to renew while five new entities were welcomed in to TMACOG membership. Management continues to believe that long-term stable membership demonstrates that TMACOG members find value in their investment.

TMACOG remains committed to its role as the governmental partner of choice to coordinate regional assets, opportunities and challenges in northwest Ohio and southeast Michigan.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, creditors and members with a general overview of TMACOG's finances and to show TMACOG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact William E. Best, Vice President of Finance & Administration for the Toledo Metropolitan Area Council of Governments, 300 Martin Luther King Jr. Dr., Suite 300, Toledo, Ohio 43604.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

STATEMENT OF NET POSITION - ENTERPRISE FUND
JUNE 30, 2019

ASSETS		
Current Assets		
Cash and Cash Equivalents	$	1,065,971
Receivables:		
Federal		267,737
State		46,108
Local		12,800
Prepaid Insurance		17,022
Prepaid Other		4,943
Due From Others		1,051
Total Current Assets		1,415,632
Noncurrent Assets		
Depreciable Capital Assets, Net of Accumulated Depreciation		77,385
Total Noncurrent Assets		77,385
TOTAL ASSETS		**1,493,017**
Deferred Outflows of Resources related to Pension Activity		521,849
Deferred Outflows of Resources related to OPEB Activity		88,974
TOTAL DEFERRED OUTFLOWS OF RESOURCES		**610,823**
LIABILITIES		
Current Liabilities		
Accounts Payable		48,322
Accrued Compensation Payable		51,541
Due to Others		1,650
Membership Dues and Transportation Assessments		362,277
Total Current Liabilities		463,790
Noncurrent Liabilities		
Net Pension Liability (See Note 8)		1,926,744
Net OPEB Liability (See Note 9)		1,134,536
Compensated Absences Payable net of current portion		135,566
Total Noncurrent Liabilities		3,196,846
TOTAL LIABILITIES		**3,660,636**
Deferred Inflows of Resources related to Pension Activity		102,425
Deferred Inflows of Resources related to OPEB Activity		22,595
TOTAL DEFERRED INFLOWS OF RESOURCES		**125,020**
NET POSITION		
Net Investment in Capital Assets		77,385
Unrestricted		(1,759,201)
TOTAL NET POSITION	**$**	**(1,681,816)**

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN NET POSITION - ENTERPRISE FUND
YEAR ENDED JUNE 30, 2019

Operating Revenue:		
Membership Fees	$	525,723
Transportation Assessments		197,287
Contributed Inkind Service		161,613
Stormwater Assessments		89,679
Other Local Revenue		52,227
Event Registrations/Sponsorships		38,835
Clear Choice Coaltion Dues		13,450
Total Operating Revenue		**1,078,814**
Operating Expenses:		
Personnel Services		1,323,985
Fringe Benefits		709,361
Contributed Inkind Service		161,613
Building Rent		146,400
Pass-through farmer subsidies		116,063
Advertising & Promotion		76,684
Computer		69,822
Contractual Services		47,584
Printing & Graphics		43,185
Auto & Travel		36,519
Equipment		36,312
Meetings		25,080
Postage & Supplies		16,720
Depreciation		15,873
Professional Services		14,908
Association Dues		12,674
Insurance		12,365
Other		4,267
Recruitment & Public Notice		3,562
Publications & Subscriptions		3,556
Training & Seminars		3,328
Telephone		2,672
Total Operating Expenses		**2,882,533**
Operating Loss		**(1,803,719)**
Non-Operating Revenue:		
Federal		1,428,006
State		200,060
Investment Income		4,109
Total Non-Operating Revenue		**1,632,175**
Change in Net Position		**(171,544)**
Net Position at July 1		**(1,510,272)**
Net Position at June 30	**$**	**(1,681,816)**

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

STATEMENT OF CASH FLOWS - ENTERPRISE FUND
YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities:	
Cash Received from Customers	$ 1,112,456
Cash Paid to Suppliers	(1,244,384)
Cash Paid to Employees	(1,331,292)
Net Cash Used by Operating Activities	(1,463,220)
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal/State Grants	1,785,371
Net Cash Received from Noncapital Financing Activities	1,785,371
Cash Flows from Capital and Related Financing Activities:	
Purchase of Capital Assets	(28,317)
Net Cash Used by Capital and Related Financing Activities	(28,317)
Cash Flows from Investing Activities:	
Investment Income	4,109
Net Cash Received from Investing Activities	4,109
Net Increase in Cash and Cash Equivalents	297,943
Cash and Cash Equivalents, July 1	768,028
Cash and Cash Equivalents, June 30	$ 1,065,971

Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	$ (1,803,719)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Depreciation Expense	15,873
(Increase) Decrease in Assets:	
Accounts Receivable	28,522
Prepaid Insurance	2,726
Prepaid Other	3,444
Due From Others	(1,051)
Deferred Outflows	(325,191)
Increase (Decrease) in Liabilities:	
Accounts Payable	(4,545)
Membership Dues	1,544
Compensated Absences Payable	14,934
Net Pension Liability	728,176
Net OPEB Liability	160,460
Deferred Inflows	(286,771)
Accrued Compensation Payable	1,728
Due to Others	650
Total Adjustments	340,499
Net Cash Used by Operating Activities	$ (1,463,220)

Schedule of Non-Cash Capital and related Financing Activities

Payment made on TMACOG's behalf for SIB loan principal	$ 623,529

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

STATEMENT OF NET POSITION - FIDUCIARY FUND
JUNE 30, 2019

	Agency Fund
ASSETS	
Cash and Cash Equivalents	$ 3,456
TOTAL ASSETS	**3,456**
LIABILITIES	
Due to Others	3,456
TOTAL LIABILITIES	**$ 3,456**

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. DESCRIPTION OF THE ENTITY AND BASIS OF PRESENTATION

Description of the Entity

Pursuant to the provisions of Chapter 167, Ohio Revised Code, the Toledo Metropolitan Area Council of Governments (TMACOG) is a voluntary association of local governments in Lucas, Wood, Ottawa, Fulton, and Sandusky counties in Ohio and Monroe County in Michigan. Local governments representing counties, cities, villages, townships, school districts, and authorities hold membership in TMACOG. The representatives of each unit of government meet once a year as the General Assembly to set general guidelines, approve overall reports, and guide the financial scope of the organization. The Board of Trustees, composed of 45 members elected from the General Assembly, meets quarterly to approve programs, review federal grant applications, develop better intergovernmental arrangements, approve studies, and set policy on new approaches to area wide problems. The Council receives its operating funds from a combination of federal, state, and local sources. Federal, state, and investment income is recorded as non-operating revenue. Local governments pay dues (membership fees) that are used by TMACOG to meet local matching requirements for a number of federal and state programs. The by-laws of the Council stipulate that the budget year would be July 1 through June 30. The budget is adopted by the Board of Trustees annually on or before the first day of the fiscal year. Upon adoption of the budget, the Board of Trustees fixes the membership fees and assessments for all members in amounts sufficient to provide the funds required by the budget. This policy provides the required assurance to grantor agencies as to the availability of local matching funds and local funding for program costs that are non-reimbursable under grantor directives and regulations.

Basis of Presentation

The accounts of TMACOG are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses as appropriate.

1. DESCRIPTION OF THE ENTITY AND BASIS OF PRESENTATION – (Continued)

Fund Accounting

TMACOG maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

Proprietary Funds

Enterprise Funds - Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body 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 (b) where the governing body has decided that periodic determination of revenues earned, incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. All activity of TMACOG, with the exception of the Agency Fund, is recorded in the Enterprise Fund.

Fiduciary Funds

Agency Funds - Fiduciary fund reporting focuses on net position and changes in net position. TMACOG's only Fiduciary Fund is an Agency Fund that is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. TMACOG's Agency Fund is comprised of the Wabash Cannonball Coordinating Committee funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Toledo Metropolitan Area Council of Governments are prepared in conformity with generally accepted accounting principles (GAAP) for local government units as prescribed in statements and interpretations issued by the GASB and other recognized authoritative sources.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The nucleus of the financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61 is the "primary government." A fundamental characteristic of a primary government is that it is a fiscally independent entity. In evaluating how to define the financial reporting entity, management has considered all potential component units. A component unit is a legally separate entity for which the primary government is financially accountable. The criterion of financial accountability is the ability of the primary government to impose its will upon the potential component unit. This criterion was considered in determining the reporting entity. There were no component units of TMACOG for the year ended June 30, 2019.

Basis of Accounting

Proprietary Fund and Agency Fund transactions are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable and expenses are recognized as incurred.

Measurement Focus

Proprietary Funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (revenues) and decreases (expenses) in net position. The statement of cash flows provides information about how TMACOG finances and meets the cash flow needs of its enterprise activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses) until then. The deferred outflows of resources related to pension and OPEB are explained in Note 8 and Note 9.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (expense) until that time. Deferred inflows of resources related to pension and OPEB are reported on the statement of net position (See Note 8 and Note 9).

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Investments

TMACOG's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by TMACOG. TMACOG measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

For the fiscal year 2019, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $100 million, requiring the excess amount to be transacted the following business day(s), but only to the $100 million limit. All accounts of the participant will be combined for these purposes.

Capital Assets and Depreciation

Capital assets purchased with grant funds are charged directly to the project as reimbursable expenditures. Capital assets not purchased with grants are capitalized and recorded at cost and depreciated using the straight-line method over a period of between 5 and 15 years.

Compensated Absences

The Council reports compensated absences in accordance with the provisions of GASB No. 16, “Accounting for 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 Council will compensate the employees for the benefits through paid time off or other means, such as a cash payment at termination or retirement. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination benefits and by those employees who are expected to become eligible in the future.

Grants

Grant support is recognized at the time reimbursable expenses are made by TMACOG. It is TMACOG’s policy to record all federal and state grant revenue as non-operating revenue and all local grant revenue as operating revenue. Federal, state, and local grant receivables represent the excess of support recognized over cash received from the grantor at the statement of net position date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Membership Dues

TMACOG invoices members a general membership fee in accordance with the budget approved by the Board of Trustees to meet the local matching requirements of the budget. Amounts not collected are written off and the non-paying entity is dropped from TMACOG membership rolls.

Transportation Assessments

TMACOG assesses transportation planning members in accordance with the budget approved by the Board of Trustees to meet the local matching requirements of the transportation budget. Amounts not collected are re-billed in the subsequent year or can be billed to other transportation planning members on a pro-rata basis.

If billed to other members and subsequently collected from the owing member, each transportation planning member is credited on a pro-rata basis.

Prepaid Assets

Prepaid assets account for payments made in the current year for expenses that will occur in a subsequent year.

Revenue and Expenses

Operating revenues consist of income earned to provide services to TMACOG members, operating grants and other income. Operating expenses include the cost of providing services, including administrative expenses and depreciation on capital assets.

Non-operating revenues are government-mandated nonexchange transactions, which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform).

Tax Status

TMACOG is qualified by the Internal Revenue Service under Section 501(c)(3) and thus exempted from the payment of income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

Pensions

For purposes of measuring the net pension liability/OPEB, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, 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 plan report investments at fair value.

Contributed In-Kind Service

TMACOG has entered into a contract with USEPA to provide monetary assistance to local farmers and landowners who are implementing Best Management Practices (BMPs). As part of this contract, the farmers and landowners are providing in-kind service with their costs for implementing the BMPs beyond the monetary assistance provided by the grant. This in-kind service is shown on the Statement of Revenue, Expenses, and Changes in Net Position as both a revenue and an expense of equal value.

3. DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

TMACOG has no deposit policy for custodial credit risk beyond the requirements of State statute.

At June 30, 2019, the carrying amount of all TMACOG deposits was $1,059,373. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2019, $250,000 of TMACOG's bank balance of $1,126,661 was covered by Federal Deposit Insurance Corporation. The remaining $876,661 was deposited under an Insured Cash Sweep program to other financial institutions so that the balance in any one financial institution did not exceed the standard maximum deposit insurance amount of $250,000.

3. DEPOSITS AND INVESTMENTS – (Continued)

Investments

As of June 30, 2019, TMACOG had the following investments:

Investment Type	Amount
STAR Ohio	$10,054

TMACOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the TMACOG's recurring fair value measurements as of June 30, 2019. All of the TMACOG's investments measured at fair value are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, TMACOG's investment policy limits investments to STAR Ohio; however, alternate investments with higher interest rates may be utilized as approved by TMACOG's Finance and Audit Committee.

Credit Risk: STAR Ohio must maintain the highest letter or municipal rating provided by at least one recognized standard service. Standard & Poor's has assigned STAR Ohio an AAAm money market rating.

Concentration of Credit Risk: TMACOG's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by TMACOG at June 30, 2019.

Investment Type	Fair Value	% of Total
STAR Ohio	$10,054	100.00%

3. DEPOSITS AND INVESTMENTS – (Continued)

Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported above to cash and investments as reported on the Statement of Net Position as of June 30, 2019:

Cash and Investments per Sections A and B above	
Carrying amount of deposits	$ 1,059,373
Investments	10,054
Total	$ 1,069,427
Cash and Investments per Statements of Net Position	
Proprietary Fund	$ 1,065,971
Agency fund	3,456
Total	$ 1,069,427

4. LOAN AGREEMENTS

TMACOG was party to separate agreements with the City of Toledo and the Ohio Department of Transportation relating to a $4.505 million loan from the State of Ohio State Infrastructure Bank Loan providing additional funding for the renovation and preservation of the Martin Luther King Jr. Memorial Bridge. Final payments on these agreements were made during 2019 and the debt is no longer reported on the TMACOG financial statements.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

5. CAPITAL ASSETS

Capital Assets consist of the following:

Cost

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Computer equipment and software	$50,209	$8,331	0	$58,540
Furniture and fixtures	172,516	0	0	172,516
Machinery and equipment	63,132	0	0	63,132
Vehicles	12,690	0	0	12,690
Leasehold Improvement	0	19,986	0	19,986
Total	$298,547	$28,317	$0	$326,864

Accumulated Depreciation

Class	June 30, 2018	Additions	Deletions	June 30, 2019
Computer equipment and software	($49,218)	($2,657)	$0	($51,875)
Furniture and fixtures	(167,422)	(637)	0	(168,059)
Machinery and equipment	(11,528)	(8,268)	0	(19,796)
Vehicles	(5,438)	(1,813)	0	(7,251)
Leasehold Improvement	0	(2,498)	0	(2,498)
Total	($233,606)	($15,873)	$0	($249,479)
Net Value	$64,941	$12,444	$0	$77,385
Depreciation Expense Charged to Operating Expense		$15,873		

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

6. CHANGES IN LONG TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Amount Outstanding June 30, 2018	Additions	(Reductions)	Amount Outstanding June 30, 2019	Due Within One Year
Governmental Activities					
Net Pension Liabilities	$1,198,568	$728,176	$0	$1,926,744	$0
Net OPEB Liability	974,076	160,460	0	1,134,536	0
Loan Agreement	623,529	0	(623,529)	0	0
Compensated Absences	120,279	166,632	(151,345)	135,566	0
Total Government	$2,916,452	$1,055,268	($774,874)	$3,196,846	$0

7. LEASES

Based on the inclusion of a fiscal funding clause in each lease agreement, TMACOG does not record otherwise non-cancelable leases as capital assets. The fiscal funding clause generally provides that the lease is cancelable if the funding authority does not appropriate the funds necessary for the entity to fulfill its obligation under the lease agreements.

TMACOG currently leases the building it occupies and two copy machines under agreements expiring at various dates through 2022. At June 30, 2019, scheduled lease payments were as follows:

Years Ending June 30	Amount
2020	$163,499
2021	149,250
2022	122,000
Total	$434,749

Lease expense under these agreements amounted to $146,400 for the building and $17,099 for the copiers for the year ended June 30, 2019.

8. DEFINED BENEFIT PENSION PLAN

NET PENSION/OPEB LIABILITY: The net pension/OPEB liability reported on the statement of net position represents a liability to employees for pensions. Pensions/OPEB 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/OPEB liability represents TMACOG's proportionate share of the pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of the pension/OPEB plan's fiduciary net position. The net pension/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 this estimate annually.

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

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

8. DEFINED BENEFIT PENSION PLAN – (Continued)

The proportionate share of the plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *accrued compensation payable* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

TMACOG 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 (TMACOG employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

8. DEFINED BENEFIT PENSION PLAN – (Continued)

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

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 traditional plan 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 who retired prior to January 7, 2013, current law provides for a 3% simple annual cost-of-living adjustment. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

8. DEFINED BENEFIT PENSION PLAN – (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. 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. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. 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 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Funding Policy

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

	State and Local
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer :	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
Employee	10.0 %

8. DEFINED BENEFIT PENSION PLAN – (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. TMACOG's contractually required contribution was $182,964 for the year ending June 30, 2019. Of this amount, $14,002 is reported as an accrued compensation payable.

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

The net pension liability for OPERS was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TMACOG's proportion of the net pension liability was based on TMACOG'S share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS 2019
Proportionate Share of the Net Pension Liability	$1,926,744
Proportion of the Net Pension Liability - 2019	0.007035%
Proportion of the Net Pension Liability - 2018	0.007640%
Change in Proportionate Share	-0.000605%
Pension Expense	$426,736

8. DEFINED BENEFIT PENSION PLAN – (Continued)

At June 30, 2019, TMACOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	OPERS
Deferred Outflows of Resources	
Difference between expected and actual experience	$72
Changes in assumptions	167,727
Net difference between projected and actual earnings on pension plan investments	261,513
TMACOG contributions subsequent to the measurement date	92,537
Total Deferred Outflows of Resources	$521,849
Deferred Inflows of Resources	
Differences between expected and actual experience	$24,857
Changes in proportionate and differences	77,568
Total Deferred Inflows of Resources	$102,425

$92,537 reported as deferred outflows of resources related to pension resulting from TMACOG contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

8. DEFINED BENEFIT PENSION PLAN – (Continued)

	OPERS
Fiscal Year Ending June 30:	
2020	$124,317
2021	56,687
2022	24,261
2023	121,622
Total	$326,887

Actuarial Methods and 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 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, 2018, using the following key 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, prepared as of December 31, 2018 are presented as follows:

Wage Inflation	3.25 percent
Projected Salary Increases	3.25 percent to 10.75 percent (Includes wage inflation of 3.25%)
COLA or Ad Hoc COLA	Pre 1/7/2013 Retirees: 3 percent Simple Post 1/7/13 Retirees: 3% simple through 2018, then 2.15% simple
Investment Rate of Return	7.20 percent
Actuarial Cost Method	Individual Entry Age

8. DEFINED BENEFIT PENSION PLAN – (Continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan and Member-Directed 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of TMACOG's Proportionate Share of Net Pension Liability to Changes in Discount Rate

The following table presents the TMACOG's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the TMACOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

8. DEFINED BENEFIT PENSION PLAN – (Continued)

	1% Decrease	Current Discount Rate	1% Increase
TMACOG's proportionate share	6.20%	7.20%	8.20%
of the net pension liability	$2,846,361	$1,926,744	$1,162,534

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	23.00 %	2.79 %
Domestic Equities	19.00	6.21
Real Estate	10.00	4.90
Private Equity	10.00	10.81
International Equities	20.00	7.83
Other Investments	18.00	5.50
Total	100.00 %	5.95%

The long-term expected rate of return on defined benefit investments 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.

8. DEFINED BENEFIT PENSION PLAN – (Continued)

During 2018, 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 for 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 a loss of 2.94% for 2018.

9. DEFINED BENEFIT OPEB PLAN

See Note 8 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

9. DEFINED BENEFIT OPEB PLAN – (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of another Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In fiscal year 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

9. DEFINED BENEFIT OPEB PLAN – (continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2018. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2019 is 0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. TMACOG's contractually required contribution was $0 for fiscal year 2019.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. TMACOG's proportion of the net OPEB liability was based on TMACOG's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Liability - 2019	0.008702%
Proportion of the Net OPEB Liability - 2018	0.008970%
Change in Proportionate Share	-0.000268%
Proportionate Share of the Net OPEB Liability	$1,134,536
OPEB Expense	$104,852

9. DEFINED BENEFIT OPEB PLAN – (continued)

At June 30, 2019, TMACOG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources	
Difference between expected and actual experience	$384
Changes in assumptions	36,579
Net difference between projected and actual earnings on pension plan investments	52,011
Total Deferred Outflows of Resources	$88,974
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 3,078
Changes in proportionate and differences	19,517
Total Deferred Inflows of Resources	$22,595

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

	OPERS
Fiscal Year Ending June 30:	
2020	$31,053
2021	851
2022	8,274
2023	26,201
Total	$66,379

9. DEFINED BENEFIT OPEB PLAN – (continued)

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 health care costs 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 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, 2017, rolled forward to the measurement date of December 31, 2018. 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, 2017
Rolled-Forward Measurement Date	December 31, 2018
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions	
Single Discount Rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Wage Inflation	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	10.0% initial, 3.25% ultimate in 2029

9. DEFINED BENEFIT OPEB PLAN – (continued)

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

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

The long-term expected rate of return on health care 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 2018, 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 was a loss of 5.60% for 2018.

9. DEFINED BENEFIT OPEB PLAN – (continued)

The allocation of investment assets within the OPERS 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 on the following page displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
REITs	6.00	5.98
Internation Equities	22.00	7.83
Other Investments	17.00	5.57
Total	100.00 %	5.16 %

9. DEFINED BENEFIT OPEB PLAN – (continued)

Discount Rate

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. 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 6.00% and a municipal bond rate of 3.71%. 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 OPEB plan's fiduciary net position and future contributions were sufficient to finance the health care costs through the year 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of TMACOG's Proportionate Share of Net OPEB Liability to Changes in Discount Rate

The following table presents TMACOG's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what TMACOG's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.96 percent) or one percentage point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Single Discount Rate (3.96%)	1% Increase (4.96%)
TMACOG's proportionate share of the net OPEB liability	$1,451,494	$1,134,536	$882,470

9. DEFINED BENEFIT OPEB PLAN – (continued)

Sensitivity of TMACOG's Proportionate Share of Net OPEB Liability to Changes in Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.00 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
TMACOG's proportionate share of the net OPEB liability	$1,090,535	$1,134,536	$1,185,212

10. COMPENSATED ABSENCES

TMACOG has five forms of compensated absences: holidays (11 days each year), annual leave, personal (2 day each year), compensatory time, and sick leave.

Annual leave accrues to each regular full-time employee per the following schedule:

Years of Service	Hours Accrued per Pay Period	Maximum Accrued per Year
Less than 4 years	3.07	10 days
4 but less than 9 years	4.60	15 days
9 but less than 14 years	6.13	20 days
14 but less than 19 years	6.77	22 days
19 but less than 24 years	7.66	25 Days
24 years or more	9.23	30 Days

Annual leave may accrue to an amount equal to three times the employee’s annual accrual amount. Upon leaving TMACOG, employees receive unused annual leave at their current rate of pay, if they have completed 6 months of continuous employment.

Certain non-supervisory employees of TMACOG receive payment for overtime hours worked in excess of 40 for any single work week. Overtime hours are paid on a one-to-one and one-half basis during the subsequent payroll processing cycle.

Sick leave accumulates at the rate of 3.7 hours per pay period for each full-time employee, to a maximum of 12 days per year, and to part-time employees on a pro-rated basis. Sick leave may be taken by employees up to the full amounts on their sick leave records, but employees may not develop negative sick leave or use sick leave that has not yet been accumulated. Employees with more than five years of service with TMACOG are entitled to receive compensation for one-quarter of their accrued sick leave up to 480 hours and one-half of their accrued sick leave between 480 and 960 hours when they terminate employment with TMACOG. Sick leave may be accrued to an unlimited amount and is payable at the employee's current rate of pay.

Both the total liability and the current liability for these compensated absences at June 30, 2019 was $135,566. The following table provides detail in support of this liability:

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019
(CONTINUED)

10. COMPENSATED ABSENCES – (Continued)

Accrued Leave Liability:

	Total Liability			Current Liability		
	Annual	Sick	Total	Annual	Sick	Total
June 30, 2018	$ 68,418	$ 52,214	$ 120,632	$ 68,096	$ 52,183	$ 120,279
Additions	112,140	54,139	166,279	112,462	54,170	166,632
Deletions	(98,178)	(53,167)	(151,345)	(98,178)	(53,167)	(151,345)
June 30, 2019	$ 82,380	$ 53,186	$ 135,566	$ 82,380	$ 53,186	$ 135,566

11. RISK MANAGEMENT

TMACOG maintains commercial insurance coverage against most normal hazards and there has been no significant reduction in coverage from the prior year. Settlement claims have not exceeded coverage for any of the last three fiscal years.

TMACOG participates in the State of Ohio's Workers' Compensation program under which premiums paid are based on a rate per $100 of payroll. The rate is determined based on accident history.

TMACOG has a premium based PPO for employee health insurance coverage. TMACOG pays a portion of the employees' deductible. Premium expense for 2019 was $159,188.

12. CONTINGENT LIABILITIES

TMACOG receives substantial financial assistance from federal, state and local agencies in the form of grants. Grants are generally awarded on an annual basis, and there is no assurance as to their future continuance or the amounts to be awarded. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Proprietary Fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the Proprietary Fund included herein or on the overall financial position of TMACOG at June 30, 2019.

13. FRINGE BENEFIT AND INDIRECT COST RATE CALCULATION

Indirect costs and fringe benefits are charged to individual programs based on provisional rates. Differences in amounts billed and actual costs incurred are adjusted to actual costs at year end and a resulting receivable or payable is recorded as appropriate. Indirect costs and fringe benefits in the Statement of Revenues, Expenses, and Changes in Net Position represent the application of actual indirect and fringe benefit rates.

14. CHANGE IN ACCOUNTING PRINCIPLES

TMACOG implemented the following GASB statements during fiscal year 2019:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*

- GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

The implementation of these statements had no effect on the financial statements of TMACOG.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TMACOG'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS (1)

	Traditional Plan 2018	Traditional Plan 2017	Traditional Plan 2016
TMACOG's Proportion of the Net Pension Liability	0.007035%	0.007640%	0.008125%
TMACOG's Proportionate Share of Net Pension Liability	$1,926,744	$1,198,568	$1,845,049
TMACOG's Covered Payroll	$1,323,985	$1,240,586	$1,296,918
TMACOG's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	145.53%	96.61%	142.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%

	Traditional Plan 2015	Traditional Plan 2014	Traditional Plan 2013
TMACOG's Proportion of the Net Pension Liability	0.008281%	0.009525%	0.009525%
TMACOG's Proportionate Share of Net Pension Liability	$1,434,373	$1,123,762	$1,143,722
TMACOG's Covered Payroll	$1,265,743	$1,276,579	$1,332,698
TMACOG's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	113.32%	88.03%	85.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available.
The years above indicate the measurement date.

See notes to required supplemental information for additional information.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TMACOG'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Contractually Required Contribution	$182,964	$165,843	$166,474	$149,886	$153,489
Contributions in Relation to the Contractually Required Contribution	$182,964	$165,843	$166,474	$149,886	$153,489
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
TMACOG Covered Payroll	$1,323,985	$1,240,586	$1,296,918	$1,265,743	$1,276,579
Contributions as a Percentage of Covered Payroll	14.00%	13.00%	12.00%	12.00%	13.00%

	2014	2013	2012	2011	2010
Contractually Required Contribution	$171,722	$126,538	$133,027	$126,027	$114,652
Contributions in Relation to the Contractually Required Contribution	$171,722	$126,538	$133,027	$126,027	$114,652
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
TMACOG Covered Payroll	$1,332,698	$1,271,883	$1,249,151	$1,333,286	$1,290,067
Contributions as a Percentage of Covered Payroll	12.00%	10.00%	10.00%	9.00%	7.00%

See notes to required supplemental information for additional information.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TMACOG'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS (1)

	2018	2017	2016
TMACOG's Proportion of the Net OPEB Liability	0.008702%	0.008970%	0.009361%
TMACOG's Proportionate Share of Net OPEB Liability	$1,134,536	$974,076	$906,000
TMACOG's Covered Payroll	$1,323,985	$1,240,586	$1,296,918
TMACOG's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	85.69%	78.52%	69.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.33%	54.14%	N/A

(1) Information prior to 2016 is not available.
The years above indicate the measurement date.
See notes to required supplemental information for additional information.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TMACOG'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015
Contractually Required Contribution	$0	$6,120	$20,061	$24,979	$13,204
Contributions in Relation to the Contractually Required Contribution	$0	$6,120	$20,061	$24,979	$13,204
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
TMACOG Covered Payroll	$1,323,985	$1,240,586	$1,296,918	$1,265,743	$1,276,579
Contributions as a Percentage of Covered Payroll	0.00%	1.00%	2.00%	2.00%	1.00%

	2014	2013	2012	2011	2010
Contractually Required Contribution	$50,612	$53,207	$70,002	$74,200	$93,500
Contributions in Relation to the Contractually Required Contribution	$50,612	$53,207	$70,002	$74,200	$93,500
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
TMACOG Covered Payroll	$1,332,698	$1,271,883	$1,249,151	$1,333,286	$1,290,067
Contributions as a Percentage of Covered Payroll	2.00%	4.00%	4.00%	5.00%	7.00%

See notes to required supplemental information for additional information.

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Net Pension Liability

Changes in benefit terms: There were no changes in benefit terms for 2018.

Changes in assumptions for 2018:

The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

Net OPEB Liability

Changes in benefit terms: There were no changes in benefit terms for 2018.

Changes in assumptions: The single discount rate changed from 4.23% to 3.85% for 2018.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF FRINGE BENEFIT COST RATE
YEAR ENDED JUNE 30, 2019

Fringe Benefit Costs:	Budget	Actual
Annual Leave	$ 97,272	$ 98,179
Sick Leave	60,207	53,167
Holiday Leave	55,191	54,299
Bereavement Leave	-	850
Civil Leave	-	154
Administrative Leave	-	958
Personal Time	5,017	8,864
Medicare Tax	19,239	17,888
Education Reimbursement	2,500	25,705
Health Insurance	216,682	159,188
Worker's Comp Insurance	11,315	(3,274)
Life Insurance	581	561
PERS Contributions	185,756	182,964
Employee Assistance Program	1,220	1,164
HSA Contribution	28,275	22,388
Vision Insurance	2,677	2,457
Dental Insurance	19,099	16,445
Auto Allowance	6,000	6,000
Cell Phone Allowance	1,200	1,200
Total Fringe Benefit Costs	**$ 712,231**	**$ 649,157**
Allocation Base: Direct and Indirect Personnel	**$ 1,109,138**	**$ 1,107,516**
Fringe Benefit Cost Rate:	**64.21%**	**58.61%**

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF INDIRECT COST RATE
YEAR ENDED JUNE 30, 2019

	Budget	Actual
Indirect Costs:		
Revenues		
Registration Fees	$ 10,000	$ 8,095
Display Table Rental	0	3,300
Sponsorship	2,000	2,850
Total Revenues	**12,000**	**14,245**
Expenses		
Personnel Services	384,173	440,872
Fringe Benefits	246,696	258,412
Consultant/Contractual Services	3,000	5,571
Audit	14,890	14,909
Legal	500	0
Advertising/Marketing	500	1,073
Insurance	12,600	12,365
Depreciation	14,000	15,873
Postage	2,500	2,215
Rent	145,200	145,200
Telephone	2,400	2,406
Mileage & Travel	1,250	1,999
Conferences Expenses	2,500	5,968
Meetings	9,500	11,183
Printing	15,000	14,575
Graphics	1,000	1,020
Office Supplies	4,000	4,200
Other Supplies	1,000	589
Equipment	5,000	10,906
Training	250	635
Periodicals	4,000	3,546
Recruitment	500	1,654
Dues	2,500	1,148
Data Processing	40,000	33,600
Other Expenses	2,200	2,225
Total Operating Expenses	**915,159**	**992,144**
Total Indirect Costs	**$ 903,159**	**$ 977,899**
Allocation Base: Direct Personnel plus Fringe Benefits	**$ 1,190,501**	**$ 1,057,389**
Indirect Cost Rate Applied	**75.86%**	**92.48%**

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF REVENUES AND EXPENSES FOR US DEPARTMENT OF TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Federal Highway Administration/Ohio Department of Transportation PID 104295 Consolidated Planning Grant FY 18		Federal Highway Administration/Ohio Department of Transportation PID 107010 Consolidated Planning Grant FY 19	
Revenues:				
Federal	$	188,305	$	745,269
State	$	23,538	$	93,159
Local	$	23,538	$	93,159
TOTAL REVENUES	$	235,381	$	931,586
Expenditures				
Salaries	$	75,962	$	275,097
Benefits	$	48,775	$	156,994
Other Direct	$	16,019	$	79,153
Indirect Costs	$	94,625	$	420,342
TOTAL EXPENSES	$	235,381	$	931,586

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF REVENUES AND EXPENSES FOR US DEPARTMENT OF TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		Federal Highway Administration/Ohio Department of Transportation PID 99774 TIP Management FY 19
Revenues:		
Federal	$	78,572
State	$	-
Local	$	19,644
TOTAL REVENUES	$	98,216
Expenditures		
Salaries	$	31,538
Benefits	$	18,486
Other Direct	$	1,928
Indirect Costs	$	46,264
TOTAL EXPENSES	$	98,216

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF REVENUES AND EXPENSES FOR US DEPARTMENT OF TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		Federal Highway Administration/Ohio Department of Transportation PID 98941 Rideshare Program FY 19
Revenues:		
Federal	$	77,529
State	$	-
Local	$	-
TOTAL REVENUES	$	77,529
Expenditures		
Salaries	$	19,475
Benefits	$	11,415
Other Direct	$	18,070
Indirect Costs	$	28,569
TOTAL EXPENSES	$	77,529

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF REVENUES AND EXPENSES FOR US DEPARTMENT OF TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

		Federal Highway Administration/Ohio Department of Transportation PID 98942 Air Quality Planning Grant FY 19
Revenues:		
Federal	$	82,909
State	$	-
Local	$	-
TOTAL REVENUES	$	82,909
Expenditures		
Salaries	$	8,065
Benefits	$	4,727
Other Direct	$	58,285
Indirect Costs	$	11,832
TOTAL EXPENSES	$	82,909

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TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019
PREPARED BY MANAGEMENT

FEDERAL GRANTOR / *Pass Through Grantor* / **Program Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Provided Through to Subrecipients**	**Total Federal Expenditures**
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Passed Through Ohio Department of Transportation:				
Highway Planning and Construction	**20.205**			
Transportation Planning		104295/107010	$ 24,000	$ 933,573
Ride Share Program		98941	-	77,529
TIP Monitoring		99774	-	78,572
Transportation Air Quality		98942	3,014	82,909
			27,014	1,172,583
Passed Through Michigan Department of Transportation and SEMCOG:				
Highway Planning and Construction	**20.205**			
Transportation Planning		19003	-	55,243
			-	55,243
Total all Highway Planning and Construction			27,014	1,227,826
Passed Through Toledo Area Regional Transit Authority:				
Job Access - Reverse Commute	**20.516**			
Car Buy Program		N/A	-	9,413
			-	9,413
Total United States Department of Transportation			**27,014**	**1,237,239**
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY				
Direct Program				
Great Lakes Program	**66.469**			
Great Lakes Restoration Initiative FY 2015				
- Portage Toussaint Agricultural Watershed Management Implementation project		GL-00E01908-1	5,759	115,500
			5,759	115,500
Direct Program				
Urban Waters Small Grants	**66.440**			
Building upon Student Watershed Watch with Canoemobile		UW00E02436	9,000	25,000
			9,000	25,000
Passed Through Ohio Environmental Protection Agency:				
Water Quality Management Planning	**66.454**			
TMACOG Areawide Water Quality Management Plan		TMACOG-FD60417	-	50,267
			-	50,267
Total United States Environmental Protection Agency			**14,759**	**190,767**
Total Expenditures of Federal Awards			**$ 41,773**	**$ 1,428,006**

The accompanying notes are an integral part of this schedule.

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2019
PREPARED BY MANAGEMENT

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Toledo Metropolitan Area Council of Governments (TMACOG's) under programs of the federal government for the year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of TMACOG, it is not intended to and does not present the financial position, changes in net position, or cash flows of TMACOG.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

TMACOG has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. TMACOG has an approved Indirect Cost Plan with the Ohio Department of Transportation for the fiscal year ended June 30, 2019 and the Indirect Cost Rate was 92.48%

NOTE D - SUBRECIPIENTS

TMACOG passes certain federal awards received from the United States Department of Transportation and the United State Environmental Protection Agency to other governments or not-for-profit agencies (subrecipients). As Note B describes, TMACOG report of expenditures of Federal awards to subrecipients are presented on an accrual basis.

As a subrecipient, TMACOG has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

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

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Toledo Metropolitan Area Council of Governments
Lucas County
300 Martin Luther King Jr. Drive, Suite 300
Toledo, Ohio 43604

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the enterprise fund and the aggregate remaining fund information of the Toledo Metropolitan Area Council of Governments, Lucas County, Ohio (TMACOG), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise TMACOG's basic financial statements, and have issued our report thereon dated December 6, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered TMACOG's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TMACOG's internal control. Accordingly, we do not express an opinion on the effectiveness of TMACOG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of TMACOG's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TMACOG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TMACOG's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TMACOG's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
December 6, 2019

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Toledo Metropolitan Area Council of Governments
Lucas County
300 Martin Luther King Jr. Drive, Suite 300
Toledo, Ohio 43604

To the Board of Trustees:

Report on Compliance for Major Federal Program

We have audited the Toledo Metropolitan Area Council of Governments Lucas County, Ohio's (TMACOG) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (*OMB) Compliance Supplement* that could have a direct and material effect on TMACOG's major federal program for the year ended June 30, 2019. TMACOG's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for TMACOG's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TMACOG's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Toledo Metropolitan Area Council of Governments, Lucas County, Ohio complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of TMACOG is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TMACOG's internal control over compliance with the types of requirements that could have a direct and material effect its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TMACOG's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Charles E. Harris & Associates, Inc.
December 6, 2019

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS
LUCAS COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Highway Planning and Construction - CFDA # 20.205
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE
KEITH FABER

TOLEDO METROPOLITAN AREA COUNCIL OF GOVERNMENTS

LUCAS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 27, 2020