

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

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

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2015***

JOTIKA SHETTY, EXECUTIVE DIRECTOR



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Richland County Regional Planning Commission, Richland County, prepared by Julian & Grube, Inc., for the audit period July 1, 2014 through June 30, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

February 25, 2016

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

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Julian & Grube, Inc.

Serving Ohio Local Governments

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Independent Auditor's Report

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

To the Commission Members:

Report on the Financial Statements

We have audited the accompanying financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Richland County Regional Planning Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Richland County Regional Planning Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Richland County Regional Planning Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Richland County Regional Planning Commission, Richland County, Ohio, as of June 30, 2015, and the changes in its financial position and its cash flows for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, during the fiscal year ended June 30, 2015, the Richland County Regional Planning Commission adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Information

We did not subject the Other Information - Schedule of Expenses by Work Element on page 30 or the Statement of Direct Labor, Fringe Benefits and General Overhead on pages 31 - 32 to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of the Richland County Regional Planning Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Richland County Regional Planning Commission's internal control over financial reporting and compliance.



Julian & Grube, Inc.
November 24, 2015

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

Management's Discussion & Analysis (MD&A) Fiscal Year 2015

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

Financial Highlights

Key financial highlights for 2015 are as follows:

- The Commission's total net position at 2014 was restated as described in Note 11. The net position of the Commission remained stable with Fiscal Year 2015, increasing by \$25,777.
- The Commission's assets decreased \$6,945, which represents a 2.57% decrease from fiscal year 2014. The decrease is associated with the decrease in cash on hand and non-current assets.
- Total liabilities decreased by \$18,486 which is 3.15% under the amount of liabilities stated in the fiscal year 2014 MD&A. The components of this decrease in liabilities are associated with decreases in accrued wages and benefits.
- Operating revenues increased by \$60,471, which represents a 6.98% increase due to an increase in the Transportation Coordination program.
- Total operating expenses increased by \$32,229 or 3.71%, due to the increased costs associated with the Transportation Coordination program.

Using this Annual Financial Report

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

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

Statement of Net Position

The Statement of Net Position looks at how well the Commission has performed financially from inception through June 30, 2015. This Statement includes all of the assets, liabilities and net position balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The following schedule provides a summary of the Commission's Statement of Net Position for fiscal years ended June 30, 2015 and the restated amounts from June 30, 2014:

	Net Position	
	FY 2015	(Restated) FY 2014
Assets		
Current Assets	\$234,702	\$237,149
Non-Current Assets	27,954	32,452
Total Assets	262,656	269,601
Deferred Outflows of Resources	49,276	26,020
Liabilities		
Current Liabilities	51,923	96,634
Long-Term Liabilities		
Compensated Absences Benefits	44,536	28,976
Net Pension Liability	472,185	461,520
Total Long-Term Liabilities	516,721	490,496
Total Liabilities	568,644	587,130
Deferred Inflows of Resources	9,020	0
Net Position		
Net Investment in Capital Assets	27,954	32,452
Restricted For - Special Vision Project	2,738	2,930
Unrestricted (deficit)	(296,424)	(326,891)
Total Net Position (deficit)	(\$265,732)	(\$291,509)

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

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the Commission's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Commission is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the Commission's statements include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the Commission is reporting a net pension liability and deferred inflows/outflows of resources related to pension. This implementation also had the effect of restating net position at June 30, 2014 from \$143,991 to a deficit of \$291,509.

Net position remained stable with a \$25,777 increase; Unrestricted Net Position increased \$30,467 while Net Investment in Capital Assets decreased by \$4,498. An additional asset category was added in FY 2010, that of "Restricted for Special Vision Project." This category holds Vision project funds that were dispersed during FY 2009. The amount of \$2,738 is being held by the Commission for a future specified Vision project use.

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating and non-operating activities for the fiscal year ended June 30, 2015. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Position for fiscal years ended June 30, 2015 and June 30, 2014. The Net Position at June 30, 2014 has been restated as described in Note 11.

	Change in Net Position	
	FY 2015	Restated FY 2014
Operating Revenues		
Federal	\$253,903	\$258,024
State	31,738	32,253
Local Governments	91,977	86,931
Coordination Revenue	340,720	270,209
GIS	25,280	24,055
Local Reimbursements	176,235	192,431
Other	7,117	2,596
Total Operating Revenue	<u>926,970</u>	<u>866,499</u>
Operating Expenses		
Salaries & Wages	411,518	440,510
Employee Benefits	135,739	126,806
Staff Expenses	9,318	7,853
Equipment & Supplies	17,121	33,519
Contractual Services	11,075	9,974
Occupancy and Other	31,873	33,404
Coordination Service	278,280	211,074
Depreciation	5,938	5,824
Bad Debt	331	-
Total Operating Expense	<u>901,193</u>	<u>868,964</u>
Change in Net Position	<u>25,777</u>	<u>(2,465)</u>
Net Position at Beginning of Year	<u>(291,509)</u>	<u>N/A</u>
Net Position at End of Year	<u><u>(\$265,732)</u></u>	<u><u>(\$291,509)</u></u>

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 expenses still include pension expense computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense.

Revenues increased by \$60,471. There was a \$70,511 increase in the revenues of the Coordination Program in FY 2015. Operating expenses increased by \$32,229 due mainly to an increase in the Coordination Program. The actual increase in the expenses of the coordination program was \$67,206, while the remaining expense categories had a total decrease of \$34,977.

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

Capital Assets

As of June 30, 2015, the Commission had capital assets of \$27,954 invested in furniture and equipment. This figure is a \$4,498 decrease compared to the amount presented for FY 2014. See Note 3 for additional information on capital assets.

Current Financial Issues

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

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

Special Financial Management Notes for Fiscal Year 2015

- 1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For Fiscal Year 2015, the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2015	Actual FY 2015
Fringe Benefit Rate	50.14%	51.02%
Indirect Cost Rate	68.19%	63.02%
Total Overhead Cost Rate	118.33%	114.04%

- 2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A new account was established during FY 2008 identified as "6300 · Sick Payable on Retirement" and amounts are entered towards potential retirements between FY 2011 and FY 2017. The proper methodology for estimating this liability was finalized with the FY 2009 Audit. A total of \$11,165 was booked in FY 2015. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.
- 3) The Commission incorporated "Program Assets" into its financial system several years prior to this fiscal year based on the recommendations of an extensive audit of its financial management and compliance procedures with Federal and State regulations and guidelines. This audit was conducted by the Ohio Department of Transportation of the Commission in its role as the Metropolitan Planning Organization (MPO.) Program assets are those pieces of capital equipment that are purchased entirely from specific program funds because usage is devoted to that project. A typical example is traffic counting equipment being purchased using transportation planning funds.

**Richland County Regional Planning Commission
Management's Discussion and Analysis
June 30, 2015**

- 4) The Vision Project operated through the Commission for a number of years as a special non-operating fund. The Vision would facilitate projects or programs, the Commission would pay the costs, with reimbursement coming from vision funds held by the Richland County Foundation. During Fiscal Year 2009, the Vision Project discontinued its active phase, and the remaining funds were allocated to appropriate projects. A portion of the funds were allocated toward the future costs of reprinting an emergency preparedness booklet. The amount set aside for this work, at some indefinite point in the future is \$2,930. That amount was received and an Account 9500 "Vision Future Reserve" was established to hold that amount.

Contacting the Commission's Financial Management

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

Richland County Regional Planning Commission
Statement of Net Position
As of June 30, 2015

Assets	
Current Assets	
Cash on Hand	\$ 65,213
Federal Receivable	44,129
State Receivable	19,453
Local Government Receivable	54,375
Coordination Receivable	51,532
Total Current Assets	<u>234,702</u>
Non-Current Assets	
Furniture & Equipment	156,049
Accumulated Depreciation	(128,095)
Total Non-Current Assets	<u>27,954</u>
Total Assets	<u>262,656</u>
Deferred Outflows of Resources	
Pension - OPERS	<u>49,276</u>
Liabilities	
Current Liabilities	
Accounts Payable	37,272
Intergovernmental Payable	1,957
Accrued Wages and Benefits	12,694
Total Current Liabilities	<u>51,923</u>
Long-Term Liabilities	
Compensated Absences Benefits	44,536
Net Pension Liability	472,185
Total Long-Term Liabilities	<u>516,721</u>
Total Liabilities	<u>568,644</u>
Deferred Inflows of Resources	
Pension - OPERS	<u>9,020</u>
Net Position	
Net Investment in Capital Assets	27,954
Restricted for Special Vision Project	2,738
Unrestricted (deficit)	(296,424)
Total Net Position	<u><u>\$ (265,732)</u></u>

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2015

Operating Revenues

Intergovernmental:	
Federal	\$ 253,903
State	31,738
Local Governments	91,977
Charges for Services:	
Coordination	340,720
GIS	25,280
Local	176,235
Other	7,117
Total Operating Revenues	<u>926,970</u>

Operating Expenses

Salaries & Wages	411,518
Employee Benefits	135,739
Staff Expenses	9,318
Equipment	6,768
Supplies	10,353
Contractual Services	11,075
Occupancy and Other	31,873
Coordination Service	278,280
Bad Debt	331
Depreciation	5,938
Total Operating Expenses	<u>901,193</u>

Change in Net Position 25,777

Net Position at Beginning of Year (restated) (291,509)

Net Position at End of Year \$ (265,732)

See accompanying notes to the basic financial statements.

Richland County Regional Planning Commission
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2015

Cash Flows from Operating Activities	
Cash Received from Federal Sources	\$ 258,745
Cash Received from State Sources	20,796
Cash Received from Local Sources	46,435
Cash Received from Coordination	323,738
Cash Payments to Suppliers for Goods and Services	(349,535)
Cash Payments to Employees for Services	(540,983)
Other Operating Revenues	209,130
Net Cash Used in Operating Activities	<u>(31,674)</u>
 Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	<u>(1,440)</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,440)</u>
 Net Decrease in Cash	 (33,114)
 Cash at Beginning of Year	 <u>98,327</u>
 Cash at End of Year	 <u><u>\$ 65,213</u></u>
 Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities	
Operating Income	\$ 25,777
 Adjustments to Reconcile Operating Gain to Net Cash Provided by Operating Activities	
Depreciation	5,938
(Increase) Decrease in Assets and Deferred Outflows	
Accounts Receivable	(30,667)
Deferred Outflows - Pension	(23,256)
Increase (Decrease) in Liabilities and Deferred Inflows	
Accounts Payable	1,753
Intergovernmental Payable	(7,750)
Accrued Wages and Benefits	(1,255)
Compensated Absences	15,560
Unearned Revenue	(37,459)
Net Pension Liability	10,665
Deferred Inflows - Pension	9,020
Total Adjustments	<u>(57,451)</u>
Net Cash Used in Operating Activities	<u><u>\$ (31,674)</u></u>

See accompanying notes to the basic financial statements.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - DESCRIPTION OF THE ENTITY

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

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

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

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

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

C. Cash Deposits

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

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

D. Investments

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

E. Capital Assets and Depreciation

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

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Indirect Costs and Fringe Benefits

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

G. Budgetary Accounting

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

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

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

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

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

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

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

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

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

H. Cash Equivalents

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

I. Compensated Absences

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

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

J. Operating Revenues (Expenses)

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

K. Use of Estimates

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

L. Net Position

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

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

N. Pension

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

NOTE 3 - CAPITAL ASSETS

A summary of the Commission's Capital Assets at June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Furniture and Equipment	\$ 165,203	\$ 1,440	\$ (10,594)	\$ 156,049
Accumulated Depreciation	(132,751)	(5,938)	10,594	(128,095)
Book Value	<u>\$ 32,452</u>	<u>\$ (4,498)</u>	<u>\$ -</u>	<u>\$ 27,954</u>

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - PENSION PLAN

Net Pension Liability

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

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

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

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

The proportionate share of the unfunded benefits is presented as a non-current *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *accrued salaries and benefits payable*.

Plan Description

The Commission participates in the Ohio Public Employees Retirement System (OPERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the Ohio Revised Code (ORC) that covers all employees of the Commission. OPERS has three retirement plan options available to its members. OPERS provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The system also provides post-employment health care benefits (including Medicare B premiums) to retirees and beneficiaries who elect to receive those benefits.

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. The report may be obtained by contacting the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215 or by phone at (800) 222-7377 or on the web at www.opers.org.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - PENSION PLAN (Continued)

Contributions

State retirement law requires contributions by covered employees and their employers, and Chapter 3307 of the ORC limits the maximum rate of contributions. The retirement board of the system set contributions rates within the allowable limits. The adequacy of employer contribution rates is determined annually by actuarial valuation using the entry age normal cost method. Under these provisions, each contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Member contributions are 10% percent of gross wages for all plans, set at the maximums authorized by the ORC. The plan's 2015 contribution rates on covered payroll to OPERS were:

	Employer Contribution Rate			
	Pension	Post Retirement	Death	Total
		Healthcare	Benefits	
OPERS	12.00%	2.00%	0.00%	14.00%

The District's contractually required contribution to OPERS was \$52,395 for fiscal year 2015. Of this total, \$1,777 is recorded as intergovernmental payable.

Benefits Provided

Plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirement to retire depends on years of service (15 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (15-30 years), age (48 - 62 years) and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of \$500 - \$2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for Law Enforcement and Public Safety personnel who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - PENSION PLAN (Continued)

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

At June 30, 2015, the Commission reported a liability for its proportionate share of the net pension liability of OPERS. The net pension liability was measured as of December 31, 2014 for the OPERS plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportionate share of the net pension liability	\$ 472,185
Proportion of the net pension liability	0.003915%
Pension expense	\$ 41,339

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 8,295
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	25,194	-
Changes in proportion and differences between the Commissions contributions and proportionate share of contributions	-	725
Commission contributions subsequent to the measurement date	<u>24,082</u>	<u>-</u>
Total	<u>\$ 49,276</u>	<u>\$ 9,020</u>

\$24,082 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - PENSION PLAN (Continued)

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

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>
2016	\$ 6,299	\$ (4,163)	\$ 2,136
2017	6,299	(4,163)	2,136
2018	6,298	(694)	5,604
2019	6,298	-	6,298
Total	<u>\$ 25,194</u>	<u>\$ (9,020)</u>	<u>\$ 16,174</u>

Actuarial Assumptions

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - PENSION PLAN (Continued)

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

OPERS - as of 12/31/14	
Actuarial Cost Method	Individual Entry Age
Cost of Living	3.0 percent
Salary Increases, Including Inflation	4.25 percent - 10.05 percent
Inflation	3.75 percent
Investment Rate of Return	8.00 percent, net of pension plan investment expense
Experience Study Date	Period of 5 years ended December 31, 2010
Mortality Basis	RP-2000 Mortality Table (Projected 20 Years using Projection Scale AA)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	OPERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	23.00%	2.31 %
Domestic Equities	19.90%	5.84 %
Real Estate	10.00%	4.25 %
Private Equity	10.00%	9.25 %
International Equity	19.10%	7.40 %
Other Investments	18.00%	4.59 %
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent for OPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates for all plans. Based on those assumptions, OPERS fiduciary net position was projected to be available to make all projected future benefit payments for current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
 RICHLAND COUNTY
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 - PENSION PLAN (Continued)

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Discount Rate (8.00%)	1% Increase (9.00%)
OPERS	<u>\$ 868,686</u>	<u>\$ 472,185</u>	<u>\$ 138,236</u>

NOTE 5 – POSTEMPLOYMENT BENEFIT PLAN

OPERS - Plan Description

OPERS maintains a cost-sharing multiple employer defined benefit postemployment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for postemployment health care coverage, age-and-service retirees under the Traditional Pension and combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. The Ohio revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Commission to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

OPERS - Funding Policy

The Ohio Revised Code provides the statutory Commission requiring public employers to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015, state and local employees contributed at a rate of 10% of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employers units. Active members do not make contributions to the OPEB Plan.

OPERS' Postemployment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 2% during calendar year 2015.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 - POSTEMPLOYMENT BENEFIT PLAN (Continued)

The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. The Commission's contributions allocated to postemployment health care for the years ended June 30, 2015, 2014, and 2013 were \$7,485, \$6,468 and \$11,226, respectively.

NOTE 6 - LONG TERM LIABILITIES

During fiscal year 2015, the following change occurred in Long-Term Liabilities. The Long-Term Liabilities were restated at June 30, 2014 due to reclassify certain Intergovernmental Payables to Compensated Absences and to report the Commissions Net Pension Liability (see Note 11). The reclassification of the Intergovernmental Payables had no effect on Net Position as previously reported.

	Restated Balance <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2015</u>
Compensated Absences Benefits	\$ 32,319	\$ 33,370	\$ (21,153)	\$ 44,536
Net Pension Liability	461,520	10,665	-	472,185
Total	<u>\$ 493,839</u>	<u>\$ 44,035</u>	<u>\$ (21,153)</u>	<u>\$ 516,721</u>

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 7- RISK MANAGEMENT

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

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

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

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

NOTE 8 - RISK SHARING POOL

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

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 8 - RISK SHARING POOL (Continued)

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

NOTE 9 - CONTINGENCIES

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

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

NOTE 10 - SUBSEQUENT EVENTS

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

NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2015, the Commission has implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68".

GASB Statement No. 68 improves the accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of GASB Statement No. 68 affected the Commission's pension plan disclosures, as presented in Note 4, and added required supplementary information which is presented after the notes to the financial statements.

GASB Statement No. 71 improves the accounting and financial reporting by addressing an issue in GASB Statement No. 68, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and nonemployer contributing entities.

**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION
(Continued)**

A net position restatement is required in order to implement GASB Statements No. 68 and No. 71. The Commission's net position at July 1, 2014 has been restated as follows:

Net position as previously reported	\$ 143,991
Deferred outflows - payments subsequent to measurement date	26,020
Net pension liability	<u>(461,520)</u>
Restated net position at July 1, 2014	<u>\$ (291,509)</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>		
Commission's proportion of the net pension liability	0.003915%	0.003915%
Commission's proportionate share of the net pension liability	\$ 472,185	\$ 461,520
Commission's covered-employee payroll	\$ 497,092	\$ 472,146
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	94.99%	97.75%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	74.70%

Note: Information prior to fiscal year 2013 was unavailable.

Amounts presented as of the Commission's measurement date which is the prior year.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<i>Traditional Plan:</i>			
Contractually required contribution	\$ 52,395	\$ 59,651	\$ 61,379
Contributions in relation to the contractually required contribution	<u>(52,395)</u>	<u>(59,651)</u>	<u>(61,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 436,625	\$ 497,092	\$ 472,146
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%

Note: Information prior to fiscal year 2013 was unavailable.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014 and 2015.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014 and 2015. See the notes to the basic financial statements for the methods and assumptions in this calculation.

OTHER INFORMATION

Richland County Regional Planning Commission

Schedule of Expenses by Work Element
For the Fiscal Year Ended June 30, 2015
(Unaudited)

Project	Direct Time	Other Direct	Fringe Benefits	Indirect	TOTAL
Community Development Block Grant			51.02%	63.02%	
204.15 CDBG	\$ 8,178.68	\$ 1,369.04	\$ 4,172.76	\$ 5,154.20	\$ 18,874.69
205.1 - Em Home Repair (begin FY13)	977.09	0.00	498.51	615.76	2,091.36
Total Community Development Block Grant	9,155.77	1,369.04	4,671.27	5,769.97	20,966.05
Ohio Public Works					
206.1 District 16	5,060.47	52.71	2,581.85	3,189.11	10,884.14
ADJUSTED TO LIMIT OF \$10,000	-413.07	-	-210.75	-260.32	(884.14)
Total Ohio Public Works	4,647.40	52.71	2,371.10	2,928.79	10,000.00
ODOT					
601.1 Short Range Transportation	22,860.51	2,519.22	11,663.43	14,406.69	51,449.86
602.1 TIP	11,251.60	192.26	5,740.57	7,090.76	24,275.18
605.1 Surveillance	16,615.76	1,324.86	8,477.36	10,471.25	36,889.23
610.1 Long Range Transportation	63,278.19	4,162.99	32,284.53	39,877.92	139,603.63
625.1 Planning Assistance	6,564.93	271.74	3,349.43	4,137.22	14,323.32
695.1 Program Supervision	23,431.01	686.16	11,954.50	14,766.22	50,837.89
Total ODOT	144,002.00	9,157.23	73,469.82	90,750.06	317,379.11
Public Transportation					
674.2 RCTB General	30,314.50	1,566.81	15,466.46	19,104.20	66,451.97
Total Public Transportation	30,314.50	1,566.81	15,466.46	19,104.20	66,451.97
Coordination					
674.4 Agency Coordination	27,964.86	839.49	14,267.67	17,623.45	60,695.48
674.5 Transportation Services	-	278,279.53	-	-	-
Total Coordination	27,964.86	279,119.02	14,267.67	17,623.45	338,975.01
Local Service					
901.1 Local Service	6,679.64	7,858.96	3,407.95	4,209.51	22,156.06
920.0 Development Regulations	6,787.39	382.62	3,462.93	4,277.41	14,910.35
ADDED FOR OWPC NOT PAID	413.07	-	210.75	260.32	884.14
Total Local Service	13,880.10	8,241.58	7,081.63	8,747.24	37,950.55
Geographic Information Sys.					
914.1 LGIF grant	3,876.84	75.44	1,977.96	2,443.18	8,373.43
916.1 GIS Engineer	16,181.90	841.84	8,256.01	-	25,279.75
915.1 GIS Project	31,124.32	3,825.08	15,879.63	19,614.55	70,443.57
Total Geographic Information Sys.	51,183.06	4,742.36	26,113.60	22,057.73	104,096.75
TOTAL	\$ 281,147.69	\$ 304,248.75	\$ 143,441.55	\$ 166,981.44	\$ 895,819.43

Richland County Regional Planning Commission
STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD - PROVISIONAL METHOD
(July 1, 2014 - June 30, 2015)

	Estimated FY 2015	Actual FY 2015	Difference (Over Bdgt.) Under Bdgt.	ODOT Adjustments	Estimated FY 2015
Wages paid for time worked:					
11: All Other Direct Labor	\$ 284,719	\$ 264,966	\$ 19,753	\$ -	\$ 284,719
13: GIS External Direct Labor	\$ 18,974	\$ 16,182	\$ 2,792	\$ -	\$ 18,974
12: Indirect Labor	\$ 91,693	\$ 80,238	\$ 11,455	\$ -	\$ 91,693
Total Labor - base for fringe allocation	\$ 395,385	\$ 361,386	\$ 34,000	\$ -	\$ 395,385
Fringe Benefits					
211: Holiday Leave Taken	\$ 15,663	\$ 12,605	\$ 3,058	\$ -	\$ 15,663
212: Vacation Leave Accrued	\$ 25,806	\$ 27,346	\$ (1,540)	\$ -	\$ 25,806
213: Sick Leave Taken	\$ 15,765	\$ 9,884	\$ 5,882	\$ -	\$ 15,765
Subtotal Fringe Benefit Wages	\$ 57,235	\$ 49,835	\$ 7,400	\$ -	\$ 57,235
Other Fringe Benefits					
22: PERS (Employer Share)	\$ 63,511	\$ 55,770	\$ 7,741	\$ -	\$ 63,511
23: Workers Compensation	\$ 5,000	\$ 3,594	\$ 1,406	\$ -	\$ 5,000
24: Medicare	\$ 6,351	\$ 5,635	\$ 716	\$ -	\$ 6,351
25.1: Health Insurance & Dental & Buyout	\$ 64,880	\$ 68,489	\$ (3,608)	\$ -	\$ 64,880
25.2: Life - County	\$ 115	\$ 96	\$ 19	\$ -	\$ 115
25.3: Life - RCRPC	\$ 1,152	\$ 964	\$ 188	\$ -	\$ 1,152
25.4: Flexible Administration	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Other Fringe Benefits	\$ 141,009	\$ 134,548	\$ 6,462	\$ -	\$ 141,009
TOTAL FRINGE BENEFITS	\$ 198,245	\$ 184,382	\$ 13,862	\$ -	\$ 198,245
Indirect Costs					
12: Indirect Labor	\$ 91,693	\$ 80,238	\$ 11,455	\$ -	\$ 91,693
Fringe Benefits for Indirect Salaries	\$ 45,975	\$ 40,938	\$ 5,036	\$ -	\$ 45,975
30: Staff Expenses - Other	\$ 30	\$ -	\$ 30	\$ -	\$ 30
31: Travel	\$ 500	\$ 33	\$ 467	\$ -	\$ 500
32: County Car	\$ 50	\$ 47	\$ 3	\$ -	\$ 50
33: Professional Memberships	\$ -	\$ 218	\$ (218)	\$ -	\$ -
34: Local Registration / Conference	\$ 500	\$ -	\$ 500	\$ -	\$ 500
35: Other Registration / Conference	\$ 500	\$ -	\$ 500	\$ -	\$ 500
36: RCRPC Meeting Costs	\$ -	\$ -	\$ -	\$ -	\$ -
37: Staff Parking	\$ 1,920	\$ 2,160	\$ (240)	\$ -	\$ 1,920
40: Equipment - Other	\$ 3,500	\$ -	\$ 3,500	\$ -	\$ 3,500
41: Leases - Copy Service	\$ 1,000	\$ 316	\$ 684	\$ -	\$ 1,000
42: Maintenance	\$ 6,000	\$ 2,187	\$ 3,813	\$ -	\$ 6,000
43: Purchases	\$ 1,000	\$ 483	\$ 517	\$ -	\$ 1,000
44: Depreciation	\$ 3,500	\$ 3,360	\$ 140	\$ -	\$ 3,500
51: Office	\$ 2,250	\$ 3,066	\$ (816)	\$ -	\$ 2,250
52: Drafting	\$ -	\$ -	\$ -	\$ -	\$ -
53: Postage	\$ 2,000	\$ 508	\$ 1,492	\$ -	\$ 2,000
55: Publications	\$ 600	\$ 328	\$ 272	\$ -	\$ 600
56: Software	\$ -	\$ 17	\$ (17)	\$ -	\$ -
61: Printing	\$ -	\$ -	\$ -	\$ -	\$ -
62: Legal Services & Public Notices	\$ 500	\$ 69	\$ 431	\$ -	\$ 500
63: Accounting, Audits	\$ -	\$ -	\$ -	\$ -	\$ -
64: Other Consultants & Misc.	\$ -	\$ 1,375	\$ (1,375)	\$ -	\$ -
71: Rent	\$ 30,625	\$ 30,625	\$ 0	\$ -	\$ 30,625
73: Telephone	\$ 2,000	\$ 1,248	\$ 752	\$ -	\$ 2,000
74: Other	\$ -	\$ -	\$ -	\$ -	\$ -
4300: Non-Budgeted Revenue	\$ -	\$ (227)	\$ 227	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Prior Year Rate Adjustment (use only with fixed rate)</i>	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL INDIRECT COSTS	\$ 194,143	\$ 166,991	\$ 27,151	\$ -	\$ 194,143

Richland County Regional Planning Commission
STATEMENT OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD - PROVISIONAL METHOD
(July 1, 2014 - June 30, 2015)

	Estimated FY 2015	Actual FY 2015	Difference (Over Bdgt.) Under Bdgt.	ODOT Adjustments	Estimated FY 2015
Direct Labor Costs by Department:					
200: Community Development	\$ 9,788	\$ 9,156	\$ 632	\$ -	\$ 9,788
300: Economic Development	\$ 4,911	\$ 4,647	\$ -	\$ -	\$ 4,911
600: Transportation	\$ 170,147	\$ 144,002	\$ 26,145	\$ -	\$ 170,147
674: Transit	\$ 52,801	\$ 58,279	\$ (5,479)	\$ -	\$ 52,801
900: Local Services	\$ 18,613	\$ 13,880	\$ 4,733	\$ -	\$ 18,613
900: GIS Local	\$ 28,460	\$ 35,001	\$ (6,541)	\$ -	\$ 28,460
TOTAL DIRECT LABOR COSTS	\$ 284,719	\$ 264,966	\$ 19,490	\$ -	\$ 284,719
Fringe Benefit Cost Rate Computation					
TOTAL Fringe Benefit Costs /	\$ 198,245	\$ 184,382			\$ 198,245
TOTAL Labor Costs (All Direct & Indirect)	\$ 395,385	\$ 361,386			\$ 395,385
= Fringe Benefit Cost Rate	50.14%	51.02%			50.14%
FY 2015 Fringe Benefit Cost Recovery Comparison (Direct Labor Portion Only)					
Should have recovered in fiscal year (Actual Direct Labor * Actual Fringe Benefit Cost Rate)	\$ 135,188			48.08%	of All Direct Labor
Amount actually recovered in fiscal year (Actual Direct Labor x ESTIMATED Fringe Benefit Cost Rate)	\$ 132,853			47.25%	of All Direct Labor
Prior Year Net (Over) / Under Recovery	\$ -				
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$ -				
(Over)/Under Recovery of Fringe Benefits	\$ 2,335		A (over)/under		
Indirect Cost Rate Computation					
TOTAL Indirect Costs /	\$ 194,143	\$ 166,991			\$ 194,143
only DIRECT Labor Costs	\$ 284,719	\$ 264,966			\$ 284,719
= Indirect Cost Rate	68.19%	63.02%			68.19%
FY 2015 Indirect Cost Recovery Comparison (All Indirect Costs, Indirect Labor & Indirect Labor Fringe Benefits)					
Should have recovered in fiscal year (Actual Direct Labor * Actual Indirect Cost Rate)	\$ 166,991			63.02%	of All Direct Labor not County Engineer
Amount actually recovered in fiscal year (Actual Direct Labor x ESTIMATED Indirect Cost Rate)	\$ 180,673			68.19%	of All Direct Labor not County Engineer
Prior Year Net (Over) / Under Recovery	\$ -				
Prior Year (Over) / Under Recovery Posted to Cost Pool	\$ -				
(Over)/Under Recovery of Indirect Costs	\$ (13,682)		B (over)/under		
FY 2015 Fringe Benefit Cost (Over)/Under Recovery					
Fringe Benefit Cost (Over)/Under Recovery	\$ 2,335		A (over)/under		
Indirect Cost (Over)/Under Recovery	\$ (13,682)		B (over)/under		
Net (Over)/Under Recovery	\$ (11,347)				
Summary					
Fringe Benefit Rate	50.14%	51.02%			50.14%
Indirect Cost Rate	68.19%	63.02%			68.19%
Total Overhead Cost Rate *	118.33%	114.04%			118.33%

Footnotes

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



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

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

To the Commission Members:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015, wherein we noted as discussed in Note 11, the Richland County Regional Planning Commission adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Richland County Regional Planning Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Richland County Regional Planning Commission's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Richland County Regional Planning Commission's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompany schedule of findings and responses that we consider a significant deficiency. We consider finding 2015-001 to be a significant deficiency.

Commission Members
Richland County Regional Planning Commission

Compliance and Other Matters

As part of reasonably assuring whether the Richland County Regional Planning Commission's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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

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

Julian & Grube, Inc.
November 24, 2015

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

**SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2015-001

Significant Deficiency - Financial Statement Presentation

Accurate financial reporting is an important part of the Planning Commission's overall purpose. Financial reporting requires internal controls in place to help ensure accuracy of reporting.

The following adjustment was identified by the Planning Commission and was recorded to properly state the Authority's financial statements for the fiscal year ended June 30, 2015:

Due to the implementation of GASB 68, a prior year restatement was necessary in the fiscal year ending June 30, 2014 to restate Net Position from \$143,991 to \$(291,509). An adjustment was also necessary in fiscal year ending June 30, 2015 to increase deferred outflows of resources by \$49,276, to increase deferred inflows of resources by \$9,020 and to increase long term liabilities by \$472,185.

The audited financial statements have been adjusted for the misstatement above.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management.

We recommend that the Planning Commission implement additional control procedures that enable management to more timely prevent or detect and correct potential misstatements in the financial statements prior to presenting to the auditors.

Client's Response: The Planning Commission will implement controls including obtaining information on changes in accounting standards for non-reoccurring transactions.

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Dave Yost • Auditor of State

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 17, 2016**