



Dave Yost • Auditor of State

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY
JUNE 30, 2016**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet	
Governmental Funds.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds.....	14
Notes to the Basic Financial Statements.....	15
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension (Asset) Liability	
Ohio Public Employees Retirement System.....	33
Schedule of Contributions	
Ohio Public Employees Retirement System.....	34
Supplementary Schedules:	
Supporting Schedule of Revenues and Expenses	35
Supporting Schedule of Indirect Costs	36
Schedule of Members	37
Independent Auditor's Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	39
Prepared by Management:	
Summary Schedule of Prior Audit Findings	41

This page intentionally left blank



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Clark County-Springfield Transportation Coordinating Committee
Clark County
3130 East Main Street
Springfield, Ohio 45505

To the Members and Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Clark County-Springfield Transportation Coordinating Committee, Clark County, Ohio (the Committee), as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Committee'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 Committee'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 Committee's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Clark County-Springfield Transportation Coordinating Committee, Clark County, Ohio as of June 30, 2016, and the respective changes in financial position 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 13 to the financial statements, during the fiscal year ended June 30, 2016, the Committee adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. 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.

Supplementary and Other Information

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

The supporting schedule of revenues and expenses, supporting schedule of indirect costs and schedule of members present additional analysis and are not a required part of the basic financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves 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 taken as a whole.

We did not subject the schedule of members to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2017, on our consideration of the Committee'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 Committee's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

May 18, 2017

This page intentionally left blank.

**CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)**

The discussion and analysis of Clark County - Springfield Transportation Coordinating Committee's (CCSTCC) financial performance provides an overall review of CCSTCC's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at CCSTCC's financial performance as a whole. Readers should also review the notes to the basic financial statements to enhance their understanding of CCSTCC's overall financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

Overall:

- CCSTCC restated its beginning net position from \$297,677 to \$38,639 because of GASB 68/71 pension liability requirements.
- CCSTCC's net position from governmental activities (after the GASB 68/71 adjustment) decreased \$6,206 or 16.1% from \$38,639 to \$32,433.
- CCSTCC had \$710,936 in expenses related to governmental activities and 99% of those expenses were offset by program revenues.
- CCSTCC's revenues from governmental activities increased \$113,605 or 19.2% to \$704,730.
- In summary, the CCSTCC's net position after restatement decreased due to an increase in net pension liability.

Using this Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Clark County - Springfield Transportation Coordinating Committee as a financial whole, the entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the CCSTCC while presenting both an aggregate view of CCSTCC's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending.

Reporting the CCSTCC as a Whole

Statement of Net Position and the Statement of Activities

While this document contains both funds used by CCSTCC to provide its program, the view of the CCSTCC as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016"? The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include *all assets/deferred outflows of resources* and *liabilities/deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This method takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)
(Continued)

These two statements report CCSTCC's *net position* and changes in position. This change in net position is important because it tells the reader that, for CCSTCC as a whole, the *financial position* of CCSTCC has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the continued availability of grants, at the federal, state and local levels.

In the Statement of Net Position and the Statement of Activities, CCSTCC is presented as one activity, governmental.

- Governmental Activities – All of CCSTCC's programs deal with transportation related planning.

Reporting CCSTCC's Funds

Fund Financial Statements

The analysis of the CCSTCC's major funds begins on page 7. Fund financial reports provide detailed information about the CCSTCC's major funds. CCSTCC uses two (2) funds to account for a multitude of financial transactions and both funds are considered major funds.

Governmental Funds: All of CCSTCC's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of CCSTCC's general governmental operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance planning activities. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)
(Continued)**

The CCSTCC as a Whole

Governmental Activities

Table 1 shows net position for fiscal years 2016 and 2015.

Table 1

	6/30/2016	6/30/2015 (restated)
	<i>Governmental Activities</i>	<i>Governmental Activities</i>
<i>Assets:</i>		
Current and Other Assets	\$ 291,250	\$ 259,562
Capital Assets, net	39,441	60,925
Total Assets	330,691	320,487
Deferred Outflows of Resources	139,016	32,679
<i>Liabilities:</i>		
Long-Term Liabilities	7,934	9,115
Other Liabilities	14,988	12,200
Net Pension Liability	402,182	286,681
Total Liabilities	425,104	307,996
Deferred Inflows of Resources	12,170	6,531
<i>Net Position:</i>		
Net Investment in Capital Assets	39,441	60,925
Restricted for Transportation Planning	109,082	105,709
Unrestricted Net Position	(116,090)	(127,995)
Total Net Position	\$ 32,433	\$ 38,639

As a result of implementing GASB 68/71, CCSTCC is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation has also resulted in a decrease of \$259,038 to CCSTCC’s ending net position of \$297,677 as of June 30, 2015 to its new beginning net position of \$38,639 as of July 1, 2015.

CCSTCC’S Funds

What are CCSTCC’s Revenue Sources? CCSTCC receives 100% of its revenue from operating grants and local membership contributions. Sources of these grants are federal, state and local. CCSTCC has one function, transportation planning, all revenue is used to support its mission.

Table 2 shows revenues and expenses for fiscal years 2016 and 2015.

**CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)
(Continued)**

Table 2

	<u>2016</u>	<u>2015 - restated</u>
<i>Expenses:</i>		
<i>Transportation:</i>		
Personnel	\$ 469,389	\$ 431,323
Other Program Expenses	215,703	157,134
Depreciation	<u>25,844</u>	<u>42,465</u>
Total Program Expenses	710,936	630,922
 <i>Program Revenues:</i>		
Federal Grants	418,385	361,331
State Grants	65,318	54,518
Local Grants	<u>221,027</u>	<u>175,276</u>
Operating Grants	704,730	591,125
 Change in net position	 (6,206)	 (39,797)
 Net position – July 1 - restated	 <u>38,639</u>	 <u>N/A</u>
 Net position June 30	 <u>\$ 32,433</u>	 <u>\$ 38,639</u>

Information about CCSTCC’s major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. The general fund had revenues of \$93,750 and expenses of \$66,728 which resulted in an increase to the fund balances of \$27,022. Also, the special revenue fund had revenues of \$610,980 and expenses of \$607,607 which resulted in an increase to the fund balances of \$3,373.

General Fund Budgeting Highlights

Although the CCSTCC is not required to comply with budgetary regulations in the Ohio Revised Code, they prepare one internally for quality control purposes. The CCSTCC’s budget is prepared according to Ohio law and is based on accounting for certain transactions on a GAAP basis of accounting. Budgets are prepared for both funds. During the course of fiscal year 2016 the CCSTCC amended its budgets several times.

Capital Assets

At the end of fiscal year 2016, the CCSTCC had \$39,441 (net) invested in equipment and furniture.

Long-Term Liabilities

At June 30, 2016, CCSTCC had long-term liabilities of \$7,934 (not including net pension liability which is discussed below). These long-term liabilities are for compensated absences (vacation and sick leave).

**CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)
(Continued)**

Pensions

Prior to 2016, CCSTCC was unable to implement GASB Statement 68 as required because the necessary information was not available from its responsible fiscal agent – the local county government of Clark County, Ohio. The fiscal agent has now determined and assigned a portion of the county’s net pension liability to the CCSTCC and those results have now been incorporated in this report. Please see the note after the above Table 1 and Note 13 below for further discussion of GASB Statements 68 and 71.

Current Financial Related Activities

CCSTCC receives its funding from the Federal Highway Administration, the Federal Transit Administration, the Ohio Department of Transportation, the Ohio Public Works Commission, Clark County, the City of Springfield and the West Central Port Authority. Grants for fiscal year 2017 appear certain; however, grants for fiscal year 2018 are dependent on Federal, State and Local budgets which are facing challenges. At this time, the CCSTCC does not expect there to be significant restrictions on the future availability of fund resources.

Contacting the CCSTCC’s Financial Management

This financial report is designed to provide our citizens, taxpayers and grantors with a general overview of CCSTCC’s finances and to show CCSTCC’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Scott Schmid, Transportation Director at Clark County - Springfield Transportation Coordinating Committee, Springview Government Center, 3130 E. Main Street, Springfield, Ohio 45505.

This page intentionally left blank.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**STATEMENT OF NET POSITION
JUNE 30, 2016**

Assets:	
Cash	\$ 171,205
Grants receivable	109,862
Prepaid Expenses	10,183
Capital Assets, net of Accumulated Depreciation	39,441
Total Assets	330,691
 Deferred Outflows of Resources:	
Pension	139,016
 Liabilities:	
Accounts Payable	3,108
Accrued personnel costs	11,880
Long-Term Liabilities (Due in more than 1 year):	
Compensated Absences	7,934
Net Pension Liability	402,182
Total Liabilities	425,104
 Deferred Inflows of Resources:	
Pension	12,170
 Net Position:	
Net Investment in Capital Assets	39,441
Restricted for Transportation Planning	109,082
Unrestricted	(116,090)
Total Net Position	\$ 32,433

See notes to the basic financial statements.

CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Expenses:

Transportation:		
Personnel	\$	469,389
Other Program Expenses		215,703
Depreciation		25,844
Total Program Expenses		<u>710,936</u>

Program Revenues:

Federal Grants		418,385
State Grants		65,318
Local Grants		221,027
Total Program Revenues		<u>704,730</u>

Change in Net Position (6,206)

Net position - July 1, 2015 (restated) 38,639

Net position - June 30, 2016 \$ 32,433

See notes to the basic financial statements.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Area Transportation Trust Fund	Total
Assets			
Cash	\$ 171,205	\$ -	\$ 171,205
Grants Receivable		109,862	109,862
Prepaid Expenses	2,030	8,153	10,183
Total Assets	173,235	118,015	291,250
Liabilities			
Accounts Payable	674	2,434	3,108
Accrued Personnel Costs	5,381	6,499	11,880
Total Liabilities	6,055	8,933	14,988
Fund Balances			
Nonspendable	2,030	8,153	10,183
Restricted		100,929	100,929
Unassigned	165,150		165,150
Total Fund Balance	167,180	109,082	276,262
Total Liabilities and Fund Balances	\$ 173,235	\$ 118,015	

Amounts reported for governmental activities in the statement of net position are different because :

Capital Assets used in governmental activities are not financial resources therefore they are not reported in the funds	39,441
Long-Term Liabilities (Compensated Absences) are not due and payable in the current period and therefore are not reported in the funds	(7,934)
Net Pension Liability is not due and payable in the current period therefore the liability and related deferred outflows/inflows are not reported in the funds	
Deferred Outflows - Pension	139,016
Deferred Inflows - Pension	(12,170)
Net Pension Liability	(402,182)
Net Position of governmental activities	\$ 32,433

See notes to the basic financial statements.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General Fund	Area Transportation Trust Fund	Total
Grant Revenues:			
Federal Funds	\$ -	\$ 418,385	\$ 418,385
State Funds	-	65,318	65,318
Local Funds	93,750	127,277	221,027
Total Revenues	93,750	610,980	704,730
Expenditures:			
Personnel	29,027	280,002	309,029
Other	1,445	172,097	173,542
Indirect Costs	36,256	155,508	191,764
Total Expenditures	66,728	607,607	674,335
Change in Fund Balances	27,022	3,373	30,395
Fund Balance July 1, 2015	140,158	105,709	
Fund Balance June 30, 2016	\$ 167,180	\$ 109,082	

The change in fund balances differ from the change in net position because:

Decreases in compensated absences (long-term liabilities) are not recognized as revenue in the entity-wide statements, but are reductions in long-term liabilities.	1,181
Capital assets are expensed when purchased in the fund statements; however in the entity-wide statements they are capitalized.	4,360
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.	20,800
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(37,098)
Depreciation expense does not require the use of current financial resources; therefore it is not reported in the funds statements.	(25,844)
Change in net position	\$ (6,206)

See notes to the basic financial statements.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 1 – Description of the Clark County – Springfield Transportation Coordinating Committee

The Clark County – Springfield Transportation Coordinating Committee (CCSTCC) was organized in 1964 by a resolution of the Clark County Board of Commissioners to initiate and guide activities necessary for a comprehensive transportation plan in the Clark County – Springfield, Ohio metropolitan region. Effectively, the Transportation Coordinating Committee appointed a committee coordinator and staffed the Clark County – Springfield Transportation Coordinating Study. The Committee is the main policy making body which establishes all non-technical policies, reviews staff proposals and approves budgets and work programs.

Note 2 – Summary of Significant Accounting Policies

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

A. Reporting Entity

For financial reporting purposes CCSTCC's financial statements include all funds and component units for which the CCSTCC is financially accountable based upon criteria set forth in GASB Statement 14, 39, and 61. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the CCSTCC) are financially accountable. CCSTCC would consider an organization to be a component unit if:

1. CCSTCC appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific burdens on the CCSTCC; or
2. The organization is fiscally dependent upon the CCSTCC; or
3. The nature of the relationship between the CCSTCC and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the CCSTCC misleading.

For the fiscal year 2016, CCSTCC does not have any component units.

B. Fund Accounting

CCSTCC uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain CCSTCC functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the various funds of CCSTCC are grouped into the following generic fund types under the broad fund category governmental.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

Governmental Fund Types - Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are CCSTCC major governmental funds:

General Fund - The general fund is the operating fund of CCSTCC and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to CCSTCC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Fund (Area Transportation Trust Fund) - The special revenue fund is used to account for grants and other contract revenues that are legally restricted to expenditures for specified purposes.

CCSTCC has no other funds.

C. Basis of Presentation

Government-wide Financial Statements - The statement of net position and the statement of activities display information about CCSTCC as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements include a reconciliation with brief explanations as to better identify the relationship between the government-wide statements and the statements to governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of CCSTCC's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues, which identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of CCSTCC.

Fund Financial Statements - Fund financial statements report detailed information about the CCSTCC. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is represented in a separate column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financial uses) of current financial resources.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For CCSTCC, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which CCSTCC receives value without directly giving equal value in return, only include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which CCSTCC must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to CCSTCC on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Cash and Cash Equivalents

As required by Ohio Revised Code, the Clark County Auditor acts as the fiscal agent for CCSTCC and the cash is held and invested by the Clark County Treasurer. CCSTCC's assets are held in the County's cash and investment pool. At year-end, the reconciled carrying amount on the County Auditor's records for CCSTCC's cash balance was \$171,205.

F. Inventory

On government-wide financial statements, inventories are represented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as expenditures in the governmental fund types when purchased.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

G. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The capitalization threshold for capital assets is \$500. Donated fixed assets are recorded at their fair market values as of the dates received. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Furniture	10 Years
Equipment	5 Years
Fixtures	5 Years
Vehicles	5 Years
Software	3 Years

H. Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

CCSTCC's policies regarding compensated absences are determined by state laws, board policy, and/or negotiated agreements. In summary the policies are as follows:

Accumulated vested vacation pay is recorded as a liability on the balance sheet at the employee's current rate of pay. A full-time employee accumulates four point six hours of sick pay per two week pay period. Twenty-five percent of the sick pay, up to a maximum of 30 days, will be paid upon retirement after 10 years of service.

The total liability for vacation and severance payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements using the *vesting method*.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account “accrued personnel” in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources.

J. Net Position

Net position represents the difference between assets/ deferred outflows of resources and liabilities/deferred inflows of resources. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by CCSTCC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is restricted for grant purposes.

CCSTCC applies restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position is available.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control CCSTCC's management and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2016.

L. Estimates

The preparation of the 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 those estimates.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

M. Indirect Costs

Fringe benefits, payroll related and general and administrative indirect costs are invoiced at provisional rates. During the audit period the provisional rate was 145.50% per an “Indirect Cost Rate Agreement” with the Ohio Department of Transportation. A schedule of indirect cost rates is included in this report.

N. Budget Basis

CCSTCC prepares its budgets on the same basis of accounting as its funds statements.

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statements of financial position will sometimes report 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/expenditure) until then. For CCSTCC, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pensions are further discussed in Note 13 – GASB Statements 68 and 71.

In addition to liabilities, the statements of financial position will sometimes report 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. For CCSTCC, deferred inflows of resources are reported on the government-wide statement of net position for pension. The deferred inflows of resources related to pensions are further discussed in Note 13 – GASB Statements 68 and 71.

P. Fund Balance

For the year ended June 30, 2016, fund balance is divided into five classifications based primarily on the extent to which CCSTCC is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non-spendable The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of CCSTCC. Those committed amounts cannot be used for any other purpose unless CCSTCC removes or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 2 – Summary of Significant Accounting Policies (continued)

Assigned Amounts in the assigned fund balance classification are intended to be used by CCSTCC for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by CCSTCC or a CCSTCC official delegated that authority by resolution, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

CCSTCC applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. Prepaids

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and the expenditure is reported in the year in which the services are consumed.

R. Pension

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

Note 3 – Operating Lease

The CCSTCC leases office space from Clark County through the County Commissioners, under an operating lease expiring September 30, 2017, for the initial sum of \$31,950 per year with a minimum 3% annual increase. Lease expense for fiscal year 2016 was \$34,348.

Minimum future rental payments under the lease for fiscal years ending June 30 are follows:

2017	\$35,388
2018	\$8,913

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 4 – Capital Assets

Capital asset activity for the year-end June 30, 2016 was as follows:

	Balance 7/1/2015	Addition	Deletion	Balance 6/30/2016
Governmental Activities				
Capital Asset, being depreciated:				
Furniture and Equipment	\$ 389,220	\$ 4,360	\$ (9,017)	\$ 384,563
Total Capital Assets, being depreciated:	<u>389,220</u>	<u>4,360</u>	<u>(9,017)</u>	<u>384,563</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(328,295)	(25,844)	9,017	(345,122)
Total Accumulated Depreciation	<u>(328,295)</u>	<u>(25,844)</u>	<u>9,017</u>	<u>(345,122)</u>
Governmental Activities Capital Assets, Net	<u>\$ 60,925</u>	<u>\$ (21,484)</u>	<u>\$ 0</u>	<u>\$ 39,441</u>

Depreciation expense was \$25,844. There were no major new asset additions but several smaller purchases including 2 software upgrades. The majority of deletions comprised the disposal of obsolete computers and monitors.

Note 5 - Receivables

Receivables on June 30, 2016, consisted of grants receivable. All receivables are considered collectible in full due to the stable condition of State and Local programs and the current fiscal year guarantee of federal funds.

Note 6 – Long-term Obligations

The changes in CCSTCC's long-term obligations during fiscal year 2016 were as follows:

	Restated Amount Outstanding 7/1/15	Additions	Deductions	Amount Outstanding 6/30/16	Due in One Year
Governmental Activities					
Net Pension Liability	\$ 286,681	\$115,501	\$ 0	\$402,182	\$-0-
Compensated Absences	<u>\$ 9,115</u>	<u>\$ 1,950</u>	<u>\$ 3,131</u>	<u>\$ 7,934</u>	<u>\$-0-</u>
Total Governmental Activities	<u>\$ 295,796</u>	<u>\$117,451</u>	<u>\$ 3,131</u>	<u>\$410,116</u>	<u>\$-0-</u>

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan

Net Pension Liability

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

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

Ohio Revised Code limits the CCSTCC's obligation for this liability to annually required payments. The CCSTCC cannot control benefit terms or the manner in which pensions are financed; however, the CCSTCC 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 each plan's unfunded benefits is presented as a long-term *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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - CCSTCC employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. CCSTCC 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.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan (Continued)

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):

January 7, 2013 or five years after January 7, 2013	January 7, 2013 or eligible to retire ten years after January 7, 2013	and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan (Continued)

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

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

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

The CCSTCC's contractually required contribution for the period ended June 30, 2016, 2015 and 2014 were \$36,436, \$35,310, and \$35,288, respectively; 100 percent has been contributed for all three years.

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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The CCSTCC's proportion of the net pension liability was based on the CCSTCC's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	\$402,182
Proportion of the Net Pension Liability	0.0023219%
Pension Expense	\$37,098

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan (Continued)

At June 30, 2016, the CCSTCC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$118,216
CCSTCC contributions subsequent to the measurement date	20,800
Total Deferred Outflows of Resources	\$139,016
 Deferred Inflows of Resources	
Differences between expected and actual experience	\$7,771
Changes in proportion and differences between contributions and proportionate share of contributions	4,399
Total Deferred Inflows of Resources	\$12,170

\$20,800 reported as deferred outflows of resources related to pension resulting from CCSTCC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year Ending December 31:	
2017	\$ 33,482
2018	33,482
2019	33,482
2020	5,600
Total	\$106,046

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.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

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 2014 and the long-term expected real rates of return:

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 7 – Defined Benefit Pension Plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	<u>5.28 %</u>

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
CCSTCC's proportionate share of the net pension liability	\$640,801	\$402,182	\$200,956

Note 8 – Postemployment Benefits

A. Plan Description

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.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 8 – Postemployment Benefit (Continued)

OPERS maintains two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 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. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml#CAFR>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund 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 2015, State and Local employers contributed at a rate of 14.0% of earnable salary and Public Safety and Law Enforcement employers contributed at 18.1%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees 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 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The rates stated above are the contractually required contribution rates for OPERS. CCSTCC's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2016, 2015, and 2014 were \$5,943, \$5,865 and \$6,440, respectively. 100 percent has been contributed for all three years.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 9 – Risk Management

CCSTCC is exposed to various risks of loss related to torts, theft of or damage to, and destruction of assets, errors or omissions, injuries to employees and natural disasters. Clark County provides insurance coverage for CCSTCC through County policies. Clark County maintains comprehensive insurance coverage with the County Risk Sharing Authority (CORSA) for liability, property and crime insurance that covers CCSTCC. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing 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.

Settled claims have not exceeded this coverage in any of the past three years, and there has been no significant reduction in coverage from the prior fiscal year.

Note 10 – Contingencies

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount or expenditures which may be disallowed by the grantor cannot be determined at this time, although CCSTCC expects such amounts, if any, to be immaterial.

Note 11 – Cost Allocation Plan

A cost allocation plan is prepared annually by CCSTCC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining provisional allocation rates and is prepared in accordance with provisions of the Uniform Guidance and the U.S. Department of Health and Human Services' Circular ASMB C-10. The plan is submitted to the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated provisional rates, which are used for billing purposes during the fiscal year. These provisional rates are subject to audit at the end of each fiscal year. If the actual rates are less than the provisional rates, CCSTCC must credit and / or repay any over-billed amounts within 3 months of the end of the fiscal year. Conversely, CCSTCC may recover any under-billed amounts also within 3 months after the end of the fiscal year.

Adjustments as a result of a change in the rates are recognized for financial reporting purposes at the end of the fiscal year for which they apply.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for 2016.

Fringe Benefits – Fringe benefit costs are recorded in the general fund and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by an oversight grantor agency. The 2016 fringe benefit costs were allocated at a provisional rate 73.2% of the productive direct labor dollars. The actual fringe benefit cost rate was 73.58%.

Indirect Costs – Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with approved cost allocation plan, based upon a provisional rate approved by an oversight agency. The 2016 indirect costs were allocated at a provisional rate of 72.3% of direct labor dollars. The actual indirect cost rate was 70.78%.

**CLARK COUNTY-SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

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

Note 12 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which CCSTCC is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for both governmental funds are presented below:

Fund Balances at June 30, 2016:	General	Area	
<u>Fund Balances</u>	<u>Fund</u>	<u>Transportation</u>	<u>Total</u>
		<u>Trust Fund</u>	
Nonspendable			
Prepaid Expenses	<u>\$2,030</u>	<u>\$8,153</u>	<u>\$10,183</u>
Total Nonspendable	2,030	8,153	10,183
Restricted for:			
Transportation Planning	<u>0</u>	<u>100,929</u>	<u>100,929</u>
Total Restricted	0	\$ 100,929	\$ 100,929
Unassigned	<u>165,150</u>	<u>0</u>	<u>165,150</u>
Total Unassigned	\$ 165,150	0	\$ 165,150
Total	<u>\$ 167,180</u>	<u>\$ 109,082</u>	<u>\$ 276,262</u>

Note 13 – Change in Accounting Principles and Restatement of Net Position

For 2016, the Clark County – Springfield Transportation Coordinating CCSTCC implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2015:

	<u>Governmental</u> <u>Activities</u>
Net position June 30, 2015	\$297,677
Adjustments:	
Net Pension Liability	(286,681)
Deferred Outflow - Payments Subsequent to Measurement Date	17,383
Deferred Outflow - Difference between projected and actual investment earnings	15,296
Deferred Inflow - Difference between Expected and Actual Experience	<u>(5,036)</u>
Restated Net Position June 30, 2015	<u>\$38,639</u>

This page intentionally left blank.

**Clark County - Springfield Transportation Coordinating Committee
Clark County**

**Required Supplementary Information
Schedule of Proportionate Share of the Net Pension (Asset) Liability
Ohio Public Employees Retirement System
Last Two Calendar Years (1)**

	<u>2015</u>	<u>2014</u>
The Committee's Proportion of the Net Pension (Asset)/Liability	0.0023219%	0.0023769%
The Committee's Proportionate Share of the Net Pension	\$402,182	\$286,681
The Committee's Covered-Employee Payroll	\$294,252	\$294,063
The Committee's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	136.7%	97.5%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%

(1) Information prior to 2014 is not available.

**Clark County - Springfield Transportation Coordinating Committee
Clark County**

**Required Supplementary Information
Schedule of Contributions
Ohio Public Employees Retirement System
Last Three Fiscal Years (1)**

	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Contractually Required Contribution	\$36,436	\$35,310	\$35,288
Contributions in Relation to the Contractually Required Contribution	\$36,436	\$35,310	\$35,288
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 The Committee Covered-Employee Payroll	 \$303,632	 \$294,252	 \$294,063
Contributions as Percentage of Covered-Employee Payroll	12%	12%	12%

(1) Information prior to 2014 is not available.

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**SUPPORTING SCHEDULE OF REVENUES AND EXPENSES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	1	2	3	4	5	6	7	8	Totals
	CPG/ODOT Grant	FTA 5307 Grant	OPWC	CMAQ	Westco	Clean Ohio	STP/ODOT Grant	Local and Unallocated	
Program Revenue:									
Federal Funds	\$ 379,845	\$ -	\$ -	\$ 38,540	\$ -	\$ -	\$ -	\$ -	\$ 418,385
State Funds	47,481	-	16,438	-	-	1,399	-	-	65,318
Local Funds		64,403			61,379	1,495			127,277
CCSTCC Funds	47,481	7,156	-	7,109		64	-	31,940	93,750
	<u>474,807</u>	<u>71,559</u>	<u>16,438</u>	<u>45,649</u>	<u>61,379</u>	<u>2,958</u>	<u>-</u>	<u>31,940</u>	<u>704,730</u>
Expenses, direct costs:									
Direct Labor	141,374	28,520	6,691	2,473	24,688	1,154	-	-	204,900
Travel	2,014	1,868	87	22	606	111	-	-	4,708
Training & Meetings	5,385						-	-	5,385
Office Supplies							-	-	-
Postage	4,195		1		88	26	-	-	4,310
Maps and Reference Material	25						-	-	25
Project Equipment (expensed)							-	-	-
Advertising	11,501			33,150			-	-	44,651
Printing	7,822						-	-	7,822
Contract Services	85,261						-	-	85,261
Software & Technology	4,359			235	314		-	-	4,908
Other	5,869			6,200	42		-	-	12,111
Project Assets	2,915						-	-	2,915
	<u>270,720</u>	<u>30,388</u>	<u>6,779</u>	<u>42,080</u>	<u>25,738</u>	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>376,996</u>
Direct Labor Fringe Benefits (73.58%)	104,030	20,987	4,923	1,819	18,169	849	-	-	150,777
Indirect costs (70.78%)	100,076	20,184	4,736	1,750	17,472	817	-	-	145,035
Eligible expenses charged to grant	<u>474,826</u>	<u>71,559</u>	<u>16,438</u>	<u>45,649</u>	<u>61,379</u>	<u>2,957</u>	<u>-</u>	<u>-</u>	<u>672,808</u>
Excess (deficiency) revenue over expenses	\$ (19)	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 31,940	\$ 31,922

CCSTCC Funds are member dues and include \$ 5,000 from Westco listed in column 8 instead of column 5.

IS Direct Expenses \$ 374,081 = SSRE Direct Expenses \$ 376,996 - Project Assets \$ 2,915.

CCSTCC has elected NOT to bill the CMAQ and Clean Ohio Programs for their FY16 CAP extra and has made up the (deficiency) with CCSTCC funds.

The Excess in Local Funds will be retained for future use by the CCSTCC.

1. Consolidated Planning Grant - FHWA PL & FTA 5303 Funds c/o ODOT PID #97401 & #99476 and Encumbrance #727056 & #728658
2. Federal Transit Authority - Section 5307 - City Springfield PO # 150496 & #160154
3. Ohio Public Works Commission - c/o SCIP & LTIP programs - Control #CK00S / DKS00
4. Congestion Mitigation & Air Quality - c/o ODOT PID #95647 & #95648
5. West Central Ohio Port Authority - per annual agreement & resolution
6. Clean Ohio Program - c/o OPWC signed agreements 08/01/07 - funding by local counties and 03/22/16 - OPWC Control #CKJZZ
7. Surface Transportation Planning - NO 2016 program
8. Local & Unallocated - FY 2016 Membership Dues (per Resolutions 2015-C & 2016-B)

**CLARK COUNTY - SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY**

**SUPPORTING SCHEDULE OF INDIRECT COSTS
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Direct Labor	\$ 204,900
Indirect Labor	54,123
Total Labor	<u>\$ 259,023</u>
Fringe Benefit Wages	
Vacation	\$ 18,329
Holiday	12,572
Sick Leave	17,056
Miscellaneous	2,049
Fringe Benefit Wages	<u>50,006</u>
Other Fringe Benefits	
OPERS	41,601
Hospitalization	87,880
Life insurance	252
Dental insurance	1,093
Medicare	4,079
Workers compensation	5,690
Other Fringe Benefits	<u>140,595</u>
Total Fringe Benefits	<u>\$ 190,601</u>
Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	73.58%
Indirect Costs	
Salaries - Indirect Only	\$ 54,123
Fringe Benefits for Indirect Salaries only	39,824
Personnel costs included in Indirect costs	<u>93,947</u>
Travel	48
Supplies	3,973
Postage	193
Maps and Referencial Materials	403
Small Office Equipment	1,803
Advertising	87
Printing	1,246
Misc. Other Expenses	54
Contract Services	3,008
Software and Tech Support	591
CORSA Insurance	890
Telephone	719
Dues and Subscriptions	337
Rents	34,618
Depreciation ***	3,118
Non personnel costs included in indirect costs	<u>51,088</u>
Total Indirect Costs	<u>\$ 145,035</u>
Direct Labor Fringe Benefits	150,777
Direct Labor	204,900
Indirect Fringe Benefit Rate (Total Fringe Benefits / Total Labor)	73.58%
Indirect Cost Rate (Total Indirect Costs / Direct Labor)	70.78%
Total Indirect Rate	<u>144.36%</u>

*** Depreciation expense included as indirect cost is only for capital assets purchased with local funds.

**CLARK COUNTY-SPRINGFIELD
TRANSPORTATION COORDINATING COMMITTEE**

SCHEDULE OF MEMBERS

Elmer Beard, Chair
Council Member, Village of Enon

Kathy Estep, Vice Chair
Trustee, Mad River Township

Bob Bender
HSCTAC Chair

Joyce Chilton
Springfield City Commissioner

Richard Henry
Director, WESTCO Port Authority

Nancy Brown
Trustee, Bethel Township

John Detrick
Clark County Commissioner

Howard Kitko
TAC Chair

John Burr
Clark County Engineer

Karen Duncan
Springfield City Commissioner

Lowell McGlothin
Mayor, City of New Carlisle

Leann Castillo
LOGCAC Chair

Matt Parrill
*Trans. Planning and Engineering
Administrator, ODOT District 7*

This page intentionally left blank.



Dave Yost • Auditor of State

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

Clark County – Springfield Transportation Coordinating Committee
Clark County
3130 East Main Street
Springfield, Ohio 45505

To the Members and Board of Directors:

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 governmental activities and each major fund of the Clark County – Springfield Transportation Coordinating Committee, Clark County, (the Committee) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Committee's basic financial statements and have issued our report thereon dated May 18, 2017. We noted the Committee adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Committee'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 Committee'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 Committee's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

May 18, 2017

CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE
CLARK COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2016

Finding Number	Finding Summary	Status	Additional Information
2015-001	Material Weakness - GASB 68 and GASB 71 Implementation	Partially Corrected	GASB 68 and 71 implemented in fiscal year 2016. See Management Letter

This page intentionally left blank.



Dave Yost • Auditor of State

CLARK COUNTY – SPRINGFIELD TRANSPORTATION COORDINATING COMMITTEE

CLARK 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
JUNE 20, 2017**