



OHIO AUDITOR OF STATE
KEITH FABER



**RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses and Change in Net Position	12
Statement of Cash Flows.....	13
Notes to the Basic Financial Statements	14
Schedules of Required Supplementary Information:	
Schedule of the Commission's Proportionate Share of the Net Pension Liability/Asset - OPERS	36
Schedule of Commission Pension Contributions - OPERS	38
Schedule of the Commission's Proportionate Share of the Net OPEB Liability - OPERS	40
Schedule of Commission OPEB Contributions - OPERS	42
Notes to Required Supplementary Information	44
Other Information:	
Schedule of Direct Labor, Fringe Benefits, and General Overhead.....	45
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	49

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Richland County Regional Planning Commission
Richland County
19 North Main Street
Mansfield, Ohio 44902

To Members of the Commission:

Report on the Financial Statements

We have audited the accompanying financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of 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, 2020, and the changes in its financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Commission. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

We did not subject the Schedule of Direct Labor, Fringe Benefits, and General Overhead to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2021, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 12, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

The management's discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 2020. 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 2020 are as follows:

- The Commission's net position increased \$80,480, which represents a 15.43% increase from fiscal year 2019.
- Assets increased \$46,203 as a result of increased cash and receivables at fiscal year-end.
- Deferred outflows of resources decreased \$105,046 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension asset/liability.
- Total liabilities decreased by \$298,567 from a decrease in the net pension liability and the net OPEB liability.
- Deferred inflows of resources increased by \$159,243 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension asset/liability and the net OPEB liability.
- Operating revenues decreased by \$62,970, which represents a 6.02% decrease primarily due to an decrease in coordination revenue.
- Total operating expenses decreased by \$152,327 or 14.45%, due to the decreased costs associated with the Transportation Coordination program and employee benefits from the net pension and net OPEB liabilities and related deferred inflows and outflows of resources.

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.

Statement of Net Position

The Statement of Net Position looks at how well the Commission has performed financially from inception through June 30, 2020. This Statement includes all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

The Statement of Net position serves as a useful indicator of a government's financial position. The following schedule provides a summary of the Commission's Statement of Net Position for fiscal years ended June 30, 2020 and June 30, 2019:

	Net Position	
	Fiscal Year 2020	Fiscal Year 2019
Assets		
Current assets	\$ 381,492	\$ 332,551
Noncurrent assets:		
Net pension asset	458	305
Capital assets, net of depreciation	7,456	10,348
Total noncurrent assets	7,914	10,653
Total assets	389,406	343,204
Deferred outflows of resources	98,654	203,700
Liabilities		
Current liabilities	57,021	64,783
Long-term liabilities:		
Compensated absences benefits	16,245	13,811
Net pension liability	352,851	604,638
Net OPEB liability	295,433	336,885
Noncurrent liabilities	664,529	955,334
Total liabilities	721,550	1,020,117
Deferred inflows	207,716	48,473
Net position		
Net investment in capital assets	7,456	10,348
Unrestricted (deficit)	(448,662)	(532,034)
Total net position (deficit)	\$ (441,206)	\$ (521,686)

The net pension liability/asset and the net OPEB liability at June 30, 2020 are reported pursuant to GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*" and GASB Statement No. 75, respectively. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and OPEB, adding the net pension liability/asset and net OPEB liability to the reported net position, and subtracting deferred outflows related to pension and OPEB.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension and OPEB costs, GASB Statement Nos. 27 and 45 focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset and net OPEB liability. GASB Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating activities for the fiscal year ended June 30, 2020. 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, 2020 and June 30, 2019.

	Change in Net Position	
	2020	2019
Operating revenues		
Federal	\$ 254,722	\$ 272,599
State	40,855	45,743
Local governments	85,831	82,312
Coordination revenue	479,024	532,254
Local reimbursements	103,259	103,259
Other	18,548	9,042
Total operating revenue	982,239	1,045,209
Operating expenses		
Salaries and wages	281,915	302,278
Employee benefits	133,717	211,761
Staff expenses	11,517	9,902
Equipment & supplies	24,469	16,727
Contractual services	8,352	9,739
Occupancy and other	34,418	34,904
Coordination service	404,479	465,594
Depreciation	2,892	3,181
Total expenses	901,759	1,054,086
Change in net position	80,480	(8,877)
Net position (deficit) at beginning of year	(521,686)	(512,809)
Net position (deficit) at end of year	\$ (441,206)	\$ (521,686)

Revenues in total decreased by \$62,970. There was a \$22,765 decrease in Federal and State intergovernmental revenue during fiscal year 2020. The revenues of the Coordination Program decreased \$53,230 in fiscal year 2020. Operating expenses decreased by \$152,327, due mainly to a decrease in the Coordination Program of \$61,115 and in employee benefits as related to the net pension liability/asset and the net OPEB liability of \$78,144. Operating expenses such as salaries and wages, contractual services, occupancy and other, and depreciation expense also decreased during fiscal year 2020.

Capital Assets

As of June 30, 2020, the Commission had capital assets of \$7,456 invested in furniture and equipment. This figure is a \$2,892 decrease compared to the amount presented for fiscal year 2019. See Note 4 for additional information on capital assets.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

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 2020

- 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 2020, 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 2020	Actual FY 2020
Fringe Benefit Rate	64.94%	58.60%
Indirect Cost Rate	56.88%	62.56%
Total Overhead Cost Rate	121.82%	121.16%

- 2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A total of \$5,178 was booked in fiscal year 2020. 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.

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, 19 North Main Street, Mansfield, OH 44902, 419-774-5684.

BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
JUNE 30, 2020

Assets:	
Current assets:	
Cash	\$ 234,790
Receivables:	
Federal.	53,351
State.	12,385
Local government	28,812
Coordination.	52,154
Total current assets.	<u>381,492</u>
Noncurrent assets:	
Net pension asset	458
Capital assets:	
Depreciable capital assets, net	7,456
Total noncurrent assets	<u>7,914</u>
Total assets	<u>389,406</u>
 Deferred outflows of resources:	
Pension - OPERS.	50,439
OPEB - OPERS	48,215
Total deferred inflows of resources	<u>98,654</u>
 Liabilities:	
Current liabilities:	
Accounts payable.	36,872
Accrued wages and benefits	17,463
Intergovernmental payable	2,686
Total current liabilities	<u>57,021</u>
Noncurrent liabilities:	
Compensated absences payable.	16,245
Net pension liability	352,851
Net OPEB liability	295,433
Total noncurrent liabilities	<u>664,529</u>
Total liabilities	<u>721,550</u>
 Deferred inflows of resources:	
Pension - OPERS	129,051
OPEB - OPERS.	78,665
Total deferred inflows of resources	<u>207,716</u>
 Net position:	
Net investment in capital assets	7,456
Unrestricted (deficit).	(448,662)
Total net position (deficit)	<u>\$ (441,206)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating revenues:	
Intergovernmental:	
Federal.	\$ 254,722
State	40,855
Local governments.	85,831
Charges for services:	
Coordination.	479,024
Local.	103,259
Other	18,548
	982,239
Total operating revenues	982,239
Operating expenses:	
Salaries and wages	281,915
Employee benefits	133,717
Staff expenses	11,517
Equipment	4,931
Supplies	19,538
Contractual services	8,352
Occupancy and other	34,418
Coordination service.	404,479
Depreciation	2,892
	901,759
Total operating expenses	901,759
Operating income/change in net position.	80,480
Net position (deficit) at beginning of year	(521,686)
Net position (deficit) at end of year.	\$ (441,206)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Cash flows from operating activities:	
Cash received from federal sources	\$ 262,183
Cash received from state sources	41,511
Cash received from local sources	83,812
Cash received from coordination	493,293
Cash received from other operating revenues.	121,916
Cash payments to employees for services	(390,632)
Cash payments to suppliers for goods and services . . .	(541,897)
	<hr/>
Net cash provided by operating activities	70,186
	<hr/>
Net increase in cash.	70,186
	<hr/>
Cash at beginning of year	164,604
Cash at end of year.	<u>\$ 234,790</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 80,480
Adjustments:	
Depreciation	2,892
(Increase) decrease in assets and deferred outflows:	
Accounts receivable	21,245
Net pension asset	(153)
Deferred outflows - pension	125,523
Deferred outflows - OPEB	(20,477)
Increase (decrease) in liabilities and deferred inflows:	
Accounts payable	(10,926)
Accrued wages and benefits	2,745
Intergovernmental payable.	419
Compensated absences payable	2,434
Net pension liability	(251,787)
Net OPEB liability	(41,452)
Deferred inflows - pension	88,236
Deferred inflows - OPEB	71,007
	<hr/>
Net cash provided by operating activities.	<u>\$ 70,186</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - DESCRIPTION OF THE ENTITY

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

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

A deferred inflow of resources is an acquisition of net position and net OPEB by the Commission that is applicable to a future reporting period. The Commission reports deferred inflow of resources for the following items related to the Commission's net pension liability and net OPEB liability/asset: (1) differences between expected and actual experience, (2) the net difference between projected and actual investment earnings on pension plan assets, and (3) differences between employer's contributions and the employer's proportional share of contributions.

A deferred outflow of resources is a consumption of net position by the Commission that is applicable to a future reporting period. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Commission, deferred outflows of resources have been reported for the following items related to the Commission's net pension liability and net OPEB liability/asset: (1) differences between expected and actual experience, (2) the net difference between projected and actual investment earnings on pension plan assets, (3) changes of assumptions, (4) changes in employer's proportionate percentage/difference between employer contributions, and (5) the Commission's contributions to the pension/OPEB systems subsequent to the measurement date.

C. Cash Deposits

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

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

D. Investments

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

E. Capital Assets and Depreciation

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

F. Indirect Costs and Fringe Benefits

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

G. Budgetary Accounting

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

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

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

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

H. Cash Equivalents

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

I. Compensated Absences

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

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

J. Operating Revenues (Expenses)

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

K. Use of Estimates

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

L. Net Position

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

M. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2020, the Commission has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the Commission, as they have no fiduciary funds.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the Commission.

NOTE 4 - CAPITAL ASSETS

A summary of the Commission's capital assets at June 30, 2020 is as follows:

	<u>Balance</u> <u>06/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/20</u>
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 44,188	\$ -	\$ -	\$ 44,188
Accumulated depreciation	<u>(33,840)</u>	<u>(2,892)</u>	<u>-</u>	<u>(36,732)</u>
Total capital assets, being depreciated:	<u>\$ 10,348</u>	<u>\$ (2,892)</u>	<u>\$ -</u>	<u>\$ 7,456</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability/Asset

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

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

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

GASB 68 assumes any net pension liability/asset 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/asset 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.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3.00% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.00% to the member's FAS for the first 30 years of service.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.00% to the member's FAS and the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions. Members retiring under the Combined Plan receive a 3.00% COLA adjustment on the defined benefit portion of their benefit.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS's Board of Trustees. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

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

	Traditional Plan State & Local	Member- Directed Plan State & Local
2020 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee ***	10.0 %	10.0 %
2020 Actual Contribution Rates		
Employer:		
Pension	14.0 %	14.0 %
Post-employment Health Care Benefits *****	0.0 %	0.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

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

The Commission's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$43,265 for fiscal year 2020. Of this amount, \$2,290 is reported as intergovernmental payable.

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

The net pension liability and net pension asset for the OPERS Traditional Pension Plan, Combined Plan and Member-Directed Plan, respectively, were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability or asset was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Member- Directed	Total
Proportion of the net pension liability/ asset prior measurement date	0.00220768%	0.01340133%	
Proportion of the net pension liability/ asset current measurement date	<u>0.00178517%</u>	<u>0.01210656%</u>	
Change in proportionate share	<u>-0.00042251%</u>	<u>-0.00129477%</u>	
Proportionate share of the net pension liability	\$ 352,851	\$ -	\$ 352,851
Proportionate share of the net pension asset	-	(458)	(458)
Pension expense	(16,654)	(270)	(16,924)

At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Member- Directed	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 1,534	\$ 1,534
Changes of assumptions	18,847	72	18,919
Changes in employer's proportionate percentage/difference between employer contributions	8,729	-	8,729
Contributions subsequent to the measurement date	<u>17,646</u>	<u>3,611</u>	<u>21,257</u>
Total deferred outflows of resources	<u>\$ 45,222</u>	<u>\$ 5,217</u>	<u>\$ 50,439</u>

	OPERS - Traditional	OPERS - Member- Directed	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 4,462	\$ -	\$ 4,462
Net difference between projected and actual earnings on pension plan plan investments	70,382	140	70,522
Changes in employer's proportionate percentage/difference between employer contributions	<u>54,067</u>	<u>-</u>	<u>54,067</u>
Total deferred inflows of resources	<u>\$ 128,911</u>	<u>\$ 140</u>	<u>\$ 129,051</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

\$21,257 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending June 30, 2021.

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

Year Ending December 31:	OPERS - Traditional	OPERS - Member- Directed	Total
2021	\$ (34,263)	\$ 182	\$ (34,081)
2022	(42,040)	184	(41,856)
2023	2,913	217	3,130
2024	(27,945)	166	(27,779)
2025	-	201	201
Thereafter	-	516	516
Total	\$ (101,335)	\$ 1,466	\$ (99,869)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Actuarial cost method	Individual entry age

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the Commission's proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the Commission's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 581,965	\$ 352,851	\$ 146,884
Member-Directed Plan	(242)	(458)	(605)

Changes Between Measurement Date and Report Date - Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

NOTE 6 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB 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 - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Health care is not being funded.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS 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 employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Commission's contractually required contribution was \$2,940 for fiscal year 2020. Of this amount, \$156 is reported as intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability prior measurement date	0.00258395%
Proportion of the net OPEB liability current measurement date	<u>0.00213886%</u>
Change in proportionate share	<u>-0.00044509%</u>
Proportionate share of the net OPEB liability	\$ 295,433
OPEB expense	\$ 10,522

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred outflows of resources	
Differences between expected and actual experience	\$ 6
Changes of assumptions	46,765
Contributions subsequent to the measurement date	1,444
Total deferred outflows of resources	\$ 48,215

	OPERS
Deferred inflows of resources	
Differences between expected and actual experience	\$ 27,018
Net difference between projected and actual earnings on OPEB plan investments	15,042
Changes in employer's proportionate percentage/difference between employer contributions	36,605
Total deferred inflows of resources	\$ 78,665

\$1,444 reported as deferred outflows of resources related to OPEB resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

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

	OPERS
Year Ending December 31:	
2021	\$ (15,398)
2022	(10,080)
2023	12
2024	(6,427)
2025	(1)
Total	\$ (31,894)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	10.00% initial, 3.25% ultimate in 2029
Actuarial Cost Method	Individual Entry Age

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2019 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

Discount Rate - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the Commission's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's proportionate share of the net OPEB liability	\$ 386,621	\$ 295,433	\$ 222,420

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Commission's proportionate share of the net OPEB liability	\$ 286,715	\$ 295,433	\$ 304,039

Changes Between Measurement Date and Report Date - Subsequent to December 31, 2019, the global economy was impacted by the COVID-19 pandemic and market volatility increased significantly. It is likely that 2020 investment market conditions and other economic factors will be negatively impacted; however, the overall impact on the OPERS investment portfolio and funding position is unknown at this time.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7 - LONG TERM LIABILITIES

The activity of the Commission's long-term obligations during fiscal year 2020 are as follows:

	Balance at <u>06/30/19</u>	<u>Additions</u>	<u>Reductions</u>	Balance at <u>06/30/20</u>	Due Within <u>One Year</u>
Compensated absences	\$ 13,811	\$ 49,888	\$ (47,454)	\$ 16,245	\$ -
Net pension liability	604,638	-	(251,787)	352,851	-
Net OPEB liability	<u>336,885</u>	<u>-</u>	<u>(41,452)</u>	<u>295,433</u>	<u>-</u>
Total long-term obligations	<u>\$ 955,334</u>	<u>\$ 49,888</u>	<u>\$ (340,693)</u>	<u>\$ 664,529</u>	<u>\$ -</u>

NOTE 8 - RISK MANAGEMENT

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)**

NOTE 9 - RISK SHARING POOL

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

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

NOTE 10 - CONTINGENCIES

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

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

NOTE 11 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Commission. The Commission's investments of the pension and other employee benefit plan in which the Commission participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Traditional Plan:</i>				
Commission's proportion of the net pension liability	0.00178517%	0.00220768%	0.00191180%	0.00249855%
Commission's proportionate share of the net pension liability	\$ 352,851	\$ 604,638	\$ 299,924	\$ 567,379
Commission's covered-employee payroll	\$ 272,271	\$ 263,933	\$ 293,608	\$ 319,150
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	129.60%	229.09%	102.15%	177.78%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Member Directed Plan:</i>				
Commission's proportion of the net pension asset	0.01210656%	0.01340133%	0.02290947%	0.02476772%
Commission's proportionate share of the net pension asset	\$ 458	\$ 305	\$ 800	\$ 103
Commission's covered-employee payroll	\$ 69,950	\$ 100,896	\$ 97,400	\$ 105,875
Commission's proportionate share of the net pension asset as a percentage of its covered-employee payroll	0.65%	0.30%	0.82%	0.10%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

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

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2015</u>	<u>2014</u>	<u>2013</u>
0.00347920%	0.00391500%	0.00391500%
\$ 602,641	\$ 472,185	\$ 406,569
\$ 436,625	\$ 449,150	\$ 397,238
138.02%	105.13%	102.35%
81.08%	86.45%	86.36%

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

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 35,915	\$ 38,118	\$ 35,631	\$ 36,701
Contributions in relation to the contractually required contribution	<u>(35,915)</u>	<u>(38,118)</u>	<u>(35,631)</u>	<u>(36,701)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 256,536	\$ 272,271	\$ 263,933	\$ 293,608
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.50%	12.50%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 7,350	\$ 6,995	\$ 13,621	\$ 12,175
Contributions in relation to the contractually required contribution	<u>(7,350)</u>	<u>(6,995)</u>	<u>(13,621)</u>	<u>(12,175)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 73,500	\$ 69,950	\$ 100,896	\$ 97,400
Contributions as a percentage of covered-employee payroll	10.00%	10.00%	13.50%	12.50%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 38,298	\$ 52,395	\$ 53,898	\$ 51,641
<u>(38,298)</u>	<u>(52,395)</u>	<u>(53,898)</u>	<u>(51,641)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 319,150	\$ 436,625	\$ 449,150	\$ 397,238
12.00%	12.00%	12.00%	13.00%
\$ 12,705			
<u>(12,705)</u>			
<u>\$ -</u>			
\$ 105,875			
12.00%			

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

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commission's proportion of the net OPEB liability	0.00213886%	0.00258395%	0.00267099%	0.00310146%
Commission's proportionate share of the net OPEB liability	\$ 295,433	\$ 336,885	\$ 290,049	\$ 313,258
Commission's covered-employee payroll	\$ 342,221	\$ 364,829	\$ 391,008	\$ 425,025
Commission's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	86.33%	92.34%	74.18%	73.70%
Plan fiduciary net position as a percentage of the total OPEB liability	46.33%	46.33%	54.14%	54.14%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

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

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,940	\$ 2,798	\$ 1,824	\$ 5,865
Contributions in relation to the contractually required contribution	<u>(2,940)</u>	<u>(2,798)</u>	<u>(1,824)</u>	<u>(5,865)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered-employee payroll	\$ 330,036	\$ 342,221	\$ 364,829	\$ 391,008
Contributions as a percentage of covered-employee payroll	0.89%	0.82%	0.50%	1.50%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 8,501	\$ 7,485	\$ 6,468	\$ 11,226
<u>(8,501)</u>	<u>(7,485)</u>	<u>(6,468)</u>	<u>(11,226)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 425,025	\$ 436,625	\$ 449,150	\$ 397,238
2.00%	1.71%	1.44%	2.83%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

DEFINED BENEFIT PENSION PLAN:

Changes in benefit terms:

There were no changes in benefit terms from the amounts reported for fiscal year 2014-2020.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%
- (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%
- (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

For fiscal year 2019, the most significant changes of assumptions that affected the total pension liability since the prior measurement date was the reduction in the actuarially assumed rate of return from 7.50% down to 7.20%.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

DEFINED BENEFIT OPEB PLAN:

Changes in benefit terms:

There were no changes in benefit terms from the amounts reported for fiscal year 2017-2020.

Changes in assumptions:

For fiscal year 2017, the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date was the reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- (a) increase in the discount rate from 3.85% up to 3.96%
- (b) decrease in the investment rate of return from 6.50% down to 6.00%
- (c) increase in the municipal bond rate from 3.31% to 3.71%
- (d) change in the health care cost trend rate from 7.50% initial, 3.25% ultimate in 2028 to 10.00% initial, 3.25% ultimate in 2029.

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- (a) decrease in the discount rate from 3.96% down to 3.16%
- (b) decrease in the municipal bond rate from 3.71% down to 2.75%
- (d) change in the health care cost trend rate from 10.00% initial, 3.25% ultimate in 2029 to 10.50% initial, 3.50% ultimate in 2030.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2019 - June 30, 2020

		ESTIMATED FY 2020	ACTUAL FY 2020	VARIANCE (OVER BUDGET) UNDER BUDGET	ESTIMATED FY 2020
EMPLOYEE WAGES					
Indirect Labor					
Acct. #	Acct. Name				
12	Indirect Labor	\$59,235.00	\$59,438.42	(\$203.42)	\$59,235.00
Subtotal - Indirect Labor		\$59,235.00	\$59,438.42	(\$203.42)	\$59,235.00
Direct Labor					
Acct. #	Acct. Name				
204.15	CDBG	\$11,126.00	\$11,176.57	(\$50.57)	\$11,126.00
206.1	District 16 OPWC	\$7,521.00	\$5,955.21	\$1,565.79	\$7,521.00
207.1	District 16 NRAC	\$2,470.00	\$1,820.64	\$649.36	\$2,470.00
601.1	Short Range Transportation Planning	\$54,709.00	\$42,148.87	\$12,560.13	\$54,709.00
602.1	TIP	\$16,094.00	\$20,601.05	(\$4,507.05)	\$16,094.00
605.1	Surveillance	\$35,343.00	\$29,599.50	\$5,743.50	\$35,343.00
610.1	Long Range Transportation Planning	\$35,154.00	\$13,378.57	\$21,775.43	\$35,154.00
625.1	Planning Assistance	\$8,352.00	\$7,186.15	\$1,165.85	\$8,352.00
630.1	Participation in Statewide Planning	\$1,635.00	\$1,389.13	\$245.87	\$1,635.00
697.1	Tranportation Program Reporting	\$14,022.00	\$12,587.64	\$1,434.36	\$14,022.00
674.2	RCTB General	\$41,362.00	\$37,483.41	\$3,878.59	\$41,362.00
674.4	Agency Coordination	\$29,176.00	\$27,985.24	\$1,190.76	\$29,176.00
901.1	Local Service	\$10,888.00	\$11,198.93	(\$310.93)	\$10,888.00
Subtotal - Direct Labor		\$267,852.00	\$222,510.91	\$45,341.09	\$267,852.00
TOTAL EMPLOYEE WAGES		\$327,087.00	\$281,949.33	\$45,137.67	\$327,087.00
FRINGE BENEFITS COST CENTER					
Paid Leave					
Acct. #	Acct. Name				
211	Holiday Leave Taken	\$14,269.83	\$11,969.50	\$2,300.33	\$14,269.83
2122	Vacation Leave Accrued	\$20,838.71	\$19,365.32	\$1,473.39	\$20,838.71
221	Sick Leave Taken	\$15,186.00	\$16,784.56	(\$1,598.56)	\$15,186.00
Subtotal - Paid Leave		\$50,294.54	\$48,119.38	\$2,175.16	\$50,294.54
Other Fringe Benefits					
Acct. #	Acct. Name				
22	PERS (Employer Share)	\$52,753.00	\$45,732.64	\$7,020.36	\$52,753.00
23	Workers Compensation	\$3,000.00	(\$633.52)	\$3,633.52	\$3,000.00
24	Medicare	\$5,463.74	\$4,615.63	\$848.11	\$5,463.74
251	Health Ins., Dental, VEBA, & Buyout	\$99,637.00	\$66,324.69	\$33,312.31	\$99,637.00
252	Life - County	\$115.20	\$67.20	\$48.00	\$115.20
253	Life - RCRPC	\$1,152.00	\$984.00	\$168.00	\$1,152.00
Subtotal - Other Fringe		\$162,120.94	\$117,090.64	\$45,030.30	\$162,120.94
TOTAL FRINGE BENEFITS		\$212,415.48	\$165,210.02	\$47,205.46	\$212,415.48

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2019 - June 30, 2020

		ESTIMATED FY 2020	ACTUAL FY 2020	VARIANCE (OVER BUDGET) UNDER BUDGET	ESTIMATED FY 2020
INDIRECT COST CENTER - NON-LABOR					
Acct. #	Acct. Name				
311	Mileage Reimbursement	\$200.00	\$0.00	\$200.00	\$200.00
313 & 314	Lodging, Other travel Reimbursement	\$300.00	\$0.00	\$300.00	\$300.00
32.02	Vehicle Exp Applied by WE miles	\$50.00	\$0.00	\$50.00	\$50.00
33	Professional Memberships	\$400.00	\$423.00	(\$23.00)	\$400.00
34	Local Registration/Conference	\$300.00	\$50.00	\$250.00	\$300.00
36	RCRPC Meeting expense	\$250.00	\$316.45	(\$66.45)	\$250.00
37	Parking for staff and agency vehicle	\$2,000.00	\$320.00	\$1,680.00	\$2,000.00
41	Leases - Copy Service	\$2,000.00	\$2,165.43	(\$165.43)	\$2,000.00
43	Purchases	\$1,500.00	\$1,550.28	(\$50.28)	\$1,500.00
44	Depreciation	\$1,500.00	\$1,252.62	\$247.38	\$1,500.00
51	Office (supplies, etc.)	\$3,500.00	\$1,906.99	\$1,593.01	\$3,500.00
53	Postage	\$600.00	\$326.20	\$273.80	\$600.00
55	Publications	\$400.00	\$353.59	\$46.41	\$400.00
56	Software	\$150.00	\$374.50	(\$224.50)	\$150.00
62	Legal Services & Public Notices	\$500.00	\$550.00	(\$50.00)	\$500.00
64	Other Consultants & Misc.	\$500.00	\$0.00	\$500.00	\$500.00
71	Occupancy - Rent	\$33,700.00	\$26,655.96	\$7,044.04	\$33,700.00
73	Occupancy - telephones	\$2,000.00	\$1,988.07	\$11.93	\$2,000.00
74	Other - moving expense	\$5,000.00	\$7,090.92	(\$2,090.92)	\$5,000.00
4300	Non-Budgeted Revenue	(\$200.00)	\$0.00	(\$200.00)	(\$200.00)
		\$0.00	(\$388.00)	\$388.00	\$0.00
TOTAL INDIRECT COSTS - NON-LABOR		<u>\$54,650.00</u>	<u>\$44,936.01</u>	<u>\$9,713.99</u>	<u>\$54,650.00</u>

FRINGE BENEFIT COST RATE CALCULATION				
TOTAL FRINGE BENEFITS	A	\$212,415	\$165,210	\$212,415
TOTAL EMPLOYEE WAGES	B	\$327,087	\$281,949	\$327,087
FRINGE BENEFIT COST RATE		64.94%	58.60%	A ÷ B
				64.94%

FRINGE BENEFIT COST RECOVERY COMPARISON				
FY 2020				
Should have recovered in fiscal year	+		\$130,382	Actual DL * Actual Fringe Rate
Amount actually recovered in fiscal year	-		\$144,502	Actual DL * Estimated Fringe Rate
Prior Year Net (Over) / Under Recovery	+		\$0	
Prior Year (Over) / Under Recovery Posted to Cost Center	-		\$0	
(Over) / Under Recovery of Fringe Benefits	=		(\$14,120)	

FRINGE BENEFITS COST DISTRIBUTION				
INDIRECT LABOR FRINGE BENEFITS		\$38,468	\$34,828	\$38,468
DIRECT LABOR FRINGE BENEFITS		\$173,947	\$130,382	\$173,947
TOTAL FRINGE BENEFITS		<u>\$212,415</u>	<u>\$165,210</u>	<u>\$212,415</u>

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2019 - June 30, 2020

		ESTIMATED FY 2020	ACTUAL FY 2020	VARIANCE (OVER BUDGET) UNDER BUDGET		ESTIMATED FY 2020
INDIRECT COST RATE CALCULATION						
INDIRECT LABOR		\$59,235	\$59,438			\$59,235
INDIRECT FRINGE BENEFITS		\$38,468	\$34,828			\$38,468
OTHER INDIRECT COSTS		\$54,650	\$44,936			\$54,650
TOTAL INDIRECT COSTS	A	\$152,353	\$139,203			\$152,353
TOTAL DIRECT LABOR COSTS * (see note 1)	B	\$267,852	\$222,511			\$267,852
INDIRECT COST RATE		56.88%	62.56%	A ÷ B		56.88%
INDIRECT COST RECOVERY COMPARISON						
FY 2020						
Should have recovered in fiscal year	+		\$139,203			Actual DL * Actual Indirect Rate
Amount actually recovered in fiscal year	-		\$126,563			Actual DL * Estimated Indirect Rate
Prior Year Net (Over) / Under Recovery	+		\$0			
Prior Year (Over) / Under Recovery Posted to Cost Center	-		\$0			
(Over) / Under Recovery of Indirect Costs	=		\$12,639			
SUMMARY						
		ESTIMATED FY 2020	ACTUAL FY 2020			ESTIMATED FY 2020
FRINGE BENEFIT COST RATE		64.94%	58.60%			64.94%
INDIRECT COST RATE		56.88%	62.56%			56.88%
TOTAL OVERHEAD COST RATE		121.82%	121.16%			121.82%

THIS PAGE INTENTIONALLY LEFT BLANK

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

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

Richland County Regional Planning Commission
Richland County
19 North Main Street
Mansfield, Ohio 44902

To Members of the Commission:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, (the Commission) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated April 12, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Commission.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

April 12, 2021

OHIO AUDITOR OF STATE KEITH FABER



RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/6/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov