



**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
Single Audit
For the Year Ended June 30, 2019**

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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Directors
Miami Valley Regional Planning Commission
10 N. Ludlow Street
Suite 700
Dayton, Ohio 45402

We have reviewed the *Independent Auditor's Report* of the Miami Valley Regional Planning Commission, Montgomery County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2018 through June 30, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 10, 2020

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**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
JUNE 30, 2019**

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MONTGOMERY COUNTY
JUNE 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

December 19, 2019

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, OH 45402

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of **Miami Valley Regional Planning Commission**, Montgomery County, Ohio (the MVRPC), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the MVRPC'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 MVRPC'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 MVRPC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and Special Revenue Grant Fund, Schedule of General Capital Assets; Schedule of Changes in General Capital Assets; Schedule of Fringe Benefit Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison; Schedule of Indirect Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison; Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, and Ohio EPA by Work Element; and Officers and Executive Committee present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the Schedule of General Capital Assets; Schedule of Changes in General Capital Assets; Schedule of Fringe Benefit Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison; Schedule of Indirect Cost Pool Charges, Rate Base, Final Rate Computation and Current Year's Recovery Comparison; Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, and Ohio EPA by Work Element; and Officers and Executive Committee to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2019, on our consideration of the MVRPC'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 MVRPC's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

The discussion and analysis of the Miami Valley Regional Planning Commission's (MVRPC) financial performance provides an overall review of the MVRPC's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the MVRPC's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the MVRPC's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

Overall:

- Total net position decreased \$(590,068) for fiscal year (FY) 2019. The net position decrease was significantly affected by OPERS pension liability and pension expense changes. See GASB 68 & 75 discussion below.
- Total assets of governmental activities increased \$140,404.
- General revenues accounted for \$471,878, or 11.7 percent of total revenue. Program revenues in the form of operating grants were \$3.56 million.
- MVRPC's \$4.62 million in expenses were offset by program revenues of \$3.56 million, and membership dues of \$470,706.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Miami Valley Regional Planning Commission as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of MVRPC as a whole, presenting both an aggregated view of the MVRPC's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the MVRPC's most significant funds, the General Fund and Special Revenue Grant Fund.

Reporting the MVRPC as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities answers the question "How did we do financially during 2019?" These statements include all assets, deferred outflow of resources, liabilities and deferred inflow of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Governmental Accounting Standards Board (GASB) is the standards-setting body for all government financial accounting and financial reports prepared in accordance with generally accepted accounting principles. MVRPC participates in the Ohio Employee Retirement System and provides pension contributions annually as required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 accounting standard takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

In accordance with GASB 68, the MVRPC'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 not accounted for as deferred inflows/outflows.

As a result of GASB 68, the MVRPC is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

MVRPC adopted GASB Statement 75, *Accounting and Financial Report for Postemployment Benefits Other than OPEBs* – which significantly revises accounting for other post-employment benefits (OPEB) other than OPEB costs and liabilities. For reason discussed below, many end users of this financial statement will gain a clearer understanding of the MVRPC's actual financial condition by adding deferred inflows related to OPEB and the net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to OPEB.

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

Under GASB 75, the net OPEB asset/liability equals the MVRPC's proportionate share of each plan's collective:

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

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 OPEB liability. Changes in OPEB benefits, contribution rates, and return on investments affect the balance of the net OPEB liability, but are outside the control of the local government. Due to the unique nature of how the net OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 75, MVRPC is reporting net OPEB asset/liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting.

The Statement of Net Position and the Statement of Activities report the MVRPC's net position and changes in that position. This change in net position is important because it shows MVRPC's change in financial results for the year ended June 30, 2019.

In the Statement of Net Position and the Statement of Activities, MVRPC reports governmental activities. All of MVRPC's activities are considered governmental activities. They include, but are not limited to, transportation planning, environmental planning, community planning and support services. The MVRPC does not have any business-type activities.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Table 1 provides a summary of the MVRPC's net position for Fiscal Years 2019 and 2018:

TABLE 1
Statement of Net position

	2019	2018	Change
<i>ASSETS</i>			
Current Assets	\$4,284,838	\$4,139,483	\$145,355
Capital Assets Being Depreciated (net)	87,417	92,368	(4,951)
Total Assets	4,372,255	4,231,851	140,404
Deferred Outflows of Resources – Pension and OPEB	1,044,621	544,148	500,473
<i>LIABILITIES</i>			
Current Liabilities	374,547	373,468	1,079
Net Pension and Other Post Employment Liability	5,194,502	3,462,010	1,732,492
Long Term Liabilities	220,229	192,143	28,086
Total Liabilities	5,789,278	4,027,621	1,761,657
Deferred Inflows of Resources – Pension and OPEB	114,692	645,405	(530,713)
<i>NET POSITION</i>			
Net Investment in Capital Assets	87,417	92,368	(4,951)
Unrestricted	(574,511)	10,606	(585,117)
Total Net position	\$(487,094)	\$102,974	\$(590,068)

The amount by which the MVRPC's assets and deferred outflows exceeded its liabilities and deferred inflows is called net position. As of June 30, 2019, the MVRPC's net position was \$(0.5) million. Total net position decreased by \$590 thousand. MVRPC's liabilities increased by \$1.7 million, primarily due to increased net pension and Other Post Employment Benefits (OPEB) liabilities.

Of the total net position amount, approximately \$87 thousand was the investment in capital assets. The remaining deficit balance of \$(574) thousand is not available for future use.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Table 2 shows the changes in net position for fiscal year 2019 compared to 2018.

TABLE 2
Statement of Activities – Change in Net position

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Revenues			
<u>Program Revenues:</u>			
Operating Grants	\$3,564,566	\$3,233,533	\$331,033
<u>General Revenues:</u>			
Membership Dues	470,706	471,372	(666)
Miscellaneous	1,172	1,105	67
Total Revenues	<u>4,036,444</u>	<u>3,706,010</u>	<u>330,434</u>
Program Expenses			
General Government	\$ 367,056	587,650	\$(220,594)
Transportation Planning	4,112,291	3,257,398	854,893
Environmental Planning	137,355	117,414	19,941
Regional Planning	9,810	30,171	(20,361)
Total Expenses	<u>4,626,512</u>	<u>3,992,633</u>	<u>633,879</u>
Decrease in Net position	<u><u>\$(590,068)</u></u>	<u><u>\$(286,623)</u></u>	<u><u>\$(303,445)</u></u>

Under GASB 68, pension expense represents proportionate share of each plan's change in net pension liability, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2019 statements include a pension expense adjustment of \$539,847 and the FY2019 statements include a pension and OPEB expense adjustment of \$161,459 due to changes in the Ohio Pension Employees Retirement System actuarial assumptions and investment experience.

Total operating grants revenue increased by \$330 thousand from 2018 primarily due to higher transportation planning revenues.

MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 85 percent of the MVRPC's total revenue was received from intergovernmental sources during FY2019. MVRPC has been able to maintain a stable financial position through careful management of expenses. However, MVRPC is vulnerable to changes in federal and state grant programs.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Reporting the MVRPC's Most Significant Funds

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

Fund financial reports provide detailed information about the General Fund and Special Revenue Grant funds. The MVRPC uses two funds to account for a multitude of financial transactions. Both of these funds are considered significant.

The General Fund had total revenue of \$0.6 million plus other financing sources of \$1.9 million. Expenditures totaled \$2.1 million plus other financing uses of \$0.2 million. General fund balance increased by \$147 thousand in 2019 to \$3.9 million, which is a positive increase in fund balance primarily because the GASB 68 pension and OPEB liability and expense adjustments are excluded in the Governmental funds statements.

The Special Revenue Grant Fund provides the detail of all federal grants received by MVRPC. The Special Revenue Fund had total revenues of \$3.4 million. This was intergovernmental revenues from federal grants, primarily from the U. S. Department of Transportation. The use of these funds had local net matching requirements of \$183 thousand. This was provided by the General Fund as operating transfers-in.

General Fund Budgeting Highlights

The MVRPC's budget is prepared on the modified accrual basis. The most significant budgeted funds are the General Fund and the Special Revenue Grant Fund.

During the course of fiscal year 2019, the MVRPC amended its budget. The primary budget variance was unspent contract expenses and resulting revenue that will carryover to the next year.

Capital Assets

At the end of fiscal year 2019, the MVRPC had \$87,417 net invested in furniture, equipment, and leasehold improvements in governmental activities. Capital assets decreased primarily due to routine capital asset retirement for the year.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited)

Table 3 shows fiscal year 2019 capital assets balances compared to 2018:

TABLE 3
Capital Assets at June 30

	2019	2018
Furniture	\$ 78,804	\$ 78,804
Equipment	197,442	188,372
Leasehold Improvements	55,464	40,277
Less: Accumulated Depreciation	(244,293)	(215,085)
	\$ 87,417	\$ 92,368

Overall net capital assets decreased approximately \$5 thousand from fiscal year 2018.

For the Future

The Miami Valley Regional Planning Commission continues to rely primarily on federal grants to finance its planning activities. The majority of these federal grants are provided by the U.S. Department of Transportation through the State of Ohio.

In 2015, the President signed the Transportation Reauthorization Act entitled "Fixing America's Surface Transportation Act" (FAST Act) for Federal Fiscal years FFY2016- FFY2020.

The Act is the vehicle by which federal funds are provided to Metropolitan Planning Organizations (MPO). MVRPC is the MPO for this region.

Contacting the MVRPC's Financial Management

This financial report is designed to provide our members, citizens and taxpayers, with a general overview of the MVRPC's finances and to show the MVRPC's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Director of Finance and Administration's Office at Miami Valley Regional Planning Commission, 10 North Ludlow Street, Suite 700, Dayton, Ohio 45402 or call (937) 223-6323.

**Miami Valley Regional Planning Commission
Montgomery County
Statement of Net Position
As of June 30, 2019**

ASSETS	
Cash	\$ 3,842,612
Accounts Receivable	61,035
Grants Receivable	373,084
Prepaid Expenses	8,107
Capital Assets Being Depreciated (net)	87,417
	4,372,255
Total Assets	4,372,255
Deferred Outflow of Resources - Pension and OPEB	1,044,621
 LIABILITIES	
Accounts Payable	120,474
Accrued Personnel Costs	94,574
Unearned Revenues	120,134
Short and Long Term Liabilities	
Due within one year	39,365
Due in more than one year:	
Net pension and Other Post Retirement Benefits liability	5,194,502
Other amounts due in more than one year	220,229
	5,789,278
Total Liabilities	5,789,278
Deferred Inflow of Resources - Pension and OPEB	114,692
 NET POSITION	
Net investment in Capital Assets	87,417
Unrestricted	(574,511)
	(487,094)
Total Net Position	\$ (487,094)

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Statement of Activities
For the Fiscal Year Ended June 30, 2019**

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expenses) Revenues and Change in Net Position Governmental Activities</u>
General Government	\$ 367,056	\$ 21,280	\$ (345,776)
Transportation Planning	4,112,291	3,412,767	(699,524)
Environmental Planning	137,355	125,512	(11,843)
Regional Planning	9,810	5,007	(4,803)
Total Governmental Activities	<u>\$ 4,626,512</u>	<u>\$ 3,564,566</u>	<u>(1,061,946)</u>
General Revenues:			
Membership Dues			470,706
Miscellaneous			1,172
Total General Revenues			<u>471,878</u>
Changes in Net Position			(590,068)
Net Position, July 1, 2018			<u>102,974</u>
Net Position, June 30, 2019			<u>\$ (487,094)</u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Balance Sheet - Governmental Funds
As of June 30, 2019**

	General Fund	Special Revenue Grant Fund	Total Governmental Funds
ASSETS and OTHER DEBITS			
Cash	\$ 3,842,264	\$ 348	\$ 3,842,612
Accounts Receivable	61,035	-	61,035
Grants Receivable	-	373,084	373,084
Due From Special Revenue Grant Fund	373,084	-	373,084
Prepaid Expenses	8,107	-	8,107
Total Assets and Other Debits	4,284,490	373,432	4,657,922
LIABILITIES			
Accounts Payable	120,474	-	120,474
Accrued Wages & Benefits	94,574	-	94,574
Due to General Fund	-	373,084	373,084
Unearned Revenues	119,786	348	120,134
Total Liabilities	334,834	373,432	708,266
FUND BALANCE			
Non Spendable	8,107	-	8,107
Assigned for Future Year's Operation - Members Dues	235,353	-	235,353
Unassigned	3,706,196	-	3,706,196
Total Fund Balance	3,949,656	-	3,949,656
Total Liabilities and Fund Balance	\$ 4,284,490	\$ 373,432	\$ 4,657,922

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities**

For the Fiscal Year Ended June 30, 2019

Total Governmental Fund Balances	\$	3,949,656
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		87,417
 <i>The following liabilities are not due and payable in the current period and therefore are not reported in the Governmental funds:</i>		
Compensated absences		(259,594)
Net Pension Liability:		
The new pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension and OPEB Liability		(5,194,502)
Deferred Outflows of Resources		1,044,621
Deferred Inflows of Resources		(114,692)
Net Position of Governmental Activities	<u>\$</u>	<u>(487,094)</u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds**

For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Grant Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Grantor Agency	\$ 113,819	\$ 3,245,761	\$ 3,359,580
Other	22,453	183,706	206,159
Membership Dues	470,706	-	470,706
Total Revenues	<u>606,978</u>	<u>3,429,467</u>	<u>4,036,445</u>
Expenditures:			
Personnel	1,645,610	1,997,865	3,643,475
Contractual	176,399	193,300	369,699
Other	326,568	557,677	884,245
Indirect Costs	13,915	864,331	878,246
Capital Outlays	24,257	-	24,257
Total Expenditures	<u>2,186,749</u>	<u>3,613,173</u>	<u>5,799,922</u>
Excess of Expenditures Over Revenues	<u>(1,579,771)</u>	<u>(183,706)</u>	<u>(1,763,477)</u>
Other Financing Sources (Uses):			
Transfers-In	-	183,706	183,706
Transfers-Out	(183,706)	-	(183,706)
Cost Allocation Plan Recoveries	1,911,056	-	1,911,056
Total Other Financing Sources	<u>1,727,350</u>	<u>183,706</u>	<u>1,911,056</u>
Change in Fund Balances	147,579	-	147,579
Fund Balance, July 1, 2018	<u>3,802,077</u>	<u>-</u>	<u>3,802,077</u>
Fund Balance, June 30, 2019	<u>\$ 3,949,656</u>	<u>\$ -</u>	<u>\$ 3,949,656</u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2019**

Change in fund balances - total governmental funds	\$	147,579
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

(4,952)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in Compensated Absences

(31,389)

Except for amounts reported as deferred inflows / outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.

(701,306)

Changes in net position of total governmental activities

\$ (590,068)

See Accompanying Notes to the Basic Financial Statements.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Miami Valley Regional Planning Commission (MVRPC) was created in 1964 by authority granted under the Ohio Revised Code. MVRPC is a regional planning agency composed of representatives from political subdivisions, other governmental agencies, and non-governmental entities in Montgomery, Greene, Miami, Darke, and Preble Counties in Ohio. MVRPC monitors and performs planning activities affecting present and future transportation, environmental, social, economic, physical and governmental characteristics of the region.

By an agreement between MVRPC and the State of Ohio, MVRPC is designated by the State as a Metropolitan Planning Organization, with responsibility for implementing a coordinated, continuing, comprehensive transportation planning process for Greene, Miami, and Montgomery Counties and parts of northern Warren County.

On October 24, 1984, amendments to the Constitution and Bylaws were approved that included updated strategic plan recommendations. The primary changes included a new mission statement, expansion of the Commission to include up to 25% non-governmental members, and the creation of a Board of Directors.

From September 2002 through February, 2004, MVRPC conducted a multi-phase Visioning and Strategic Planning Process with the goal of creating a more streamlined, efficient and responsive organization. On September 24, 2003, the new MVRPC Strategic Plan was adopted. Work then began on developing a structure more conducive to implementing the goals of the Strategic Plan. This effort resulted in the creation and adoption of a substantially revised Constitution and Bylaws on February 25, 2004, with implementation to begin on March 24, 2004. Key changes include:

Board of Directors

- The Commission and the Transportation Committee are merged into a newly created Board of Directors. County Engineers within the MPO Boundary now are Board members.
- All policy responsibility is vested with the merged body.
- The current weighted voting structure of the Transportation Committee is retained.
- Weighted voting can only be used by the Board of Directors. It cannot occur at the initial meeting when the request is made unless $\frac{3}{4}$ of the members present approve. Otherwise, it will occur at the next scheduled meeting.
- Only MPO members located within the MPO Boundary (Greene, Miami, Montgomery counties and part of northern Warren county) can vote on transportation issues.
- ODOT representatives and urban transit operators may be members of the Board and vote on transportation issues.
- Each county's assessment is calculated based on 25% of the total county population; all other governmental members continue to pay a per capita assessment.
- Bylaws can be amended by a majority vote and the process for amending bylaws can be changed by a 2/3 majority vote. (Neither can be subject to weighted voting.)

Executive Committee

- The previous Board of Directors is now called the Executive Committee.
- The Executive Committee is responsible for handling "routine and emergency" matters.
- Counties (the Commissioners) appoint a member, one from each member county.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Cities and villages appoint 9 members, one of which is the largest city; one member is chosen from each of the MPO counties; and no more than 4 members may be chosen from any one county. These members are chosen annually by caucus of member cities and villages.
- Townships appoint 3 members from counties located within the MPO boundary. No more than one member from the same county may be chosen. These members are selected annually by caucus of member townships
- Non-governmental members appoint 3 members, also chosen annually by caucus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

MVRPC's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about MVRPC as a whole. These statements include the financial activities of the primary government. The statement of net position presents the financial condition of the governmental activities of MVRPC at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of MVRPC governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of MVRPC, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of MVRPC.

Fund Financial Statements

During the year, MVRPC segregated transactions related to certain organizational functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of MVRPC at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

MVRPC uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain organizational functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of MVRPC are grouped into the governmental category.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

General Fund – The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The general fund contains some small non-federal grants and other funding sources that are available to MVRPC for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Grant Fund – The Special Revenue Grant Fund is used to account for grant and federal contract revenue that is legally restricted to expenditures for specified purposes.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of MVRPC are included on the Statement of Net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and in the presentation of expenses versus expenditures. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For MVRPC, available means expected to be received within ninety days of fiscal year end. Nonexchange transactions, in which MVRPC receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which MVRPC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to MVRPC on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: grants, and other revenue. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Property, Plant and Equipment

MVRPC capitalizes at cost all purchased property and equipment costing \$1,500 and greater and with a useful life greater than one year. Depreciation is provided on the straight-line method over the estimated useful lives of the assets ranging from 4 to 10 years. Leasehold improvements are amortized over the lesser of the useful life of the asset or term of the lease. Donated property and equipment are recorded at acquisition value on date donated. Upon sale or disposition of property and equipment, the cost and related depreciation are removed from the accounts and any gain or loss is recognized.

Compensated Absences

MVRPC employees are granted annual leave (vacation) and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated annual leave and employees who retire with 10 or more years of service are eligible for a percentage of accumulated sick leave up to a maximum amount. Sick leave benefits are accrued using the vesting method in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. An accrual for earned sick leave is reduced to the maximum amount allowed for employees eligible for a retirement termination payment plus a small estimate for some employees short term sick leave use that is expected to be greater than normal.

Revenues

General fund revenues are determined by contractual agreements with member political subdivisions represented by MVRPC. Member jurisdictions of MVRPC pay an annual membership fee based on the latest official census or federal revenue sharing population estimates. The annual assessment was as follows:

Member Type

Within the MPO planning	
Counties - 25% of total population	\$0.46/ capita
Municipalities and Townships	\$0.46/ capita
Outside the MPO planning area	
Counties - 25% of total population	\$0.25/ capita
Municipalities and Townships	\$0.25/ capita
Quasi and Non-governmental bodies	\$1,000 annual

The total revenue generated from member fees was \$470,706.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Grant Fund

Grant revenue is recognized when compliance with the various grant requirements is achieved. Generally this occurs at the time expenditures are made and the grant matching requirements are met. Grant revenues received before the revenue recognition criteria have been met are reported as unearned revenues, a liability account. When the revenue recognition criteria have been met, grant revenues not yet received are reported as grants receivable, if the amounts have been billed to grantor agencies, or as earned not billed, if amounts are unbilled.

Carry-over Grants and Contracts

Several grants continued after June 30, 2019. The amounts available for completing grant objectives for these grant programs are summarized below by funding type. MVRPC's required match for these carry over funds is approximately \$27,319.

<u>Type</u>	<u>Amount</u>
Federal Grants	\$ 951,546
Other Grants and Contracts	17,134

Indirect Costs

MVRPC uses an indirect cost rate to recover administrative expenditures. The FY2019 indirect costs were billed at a provisional rate of 45.8% of direct labor dollars, including fringe benefits. Also, as discussed in Note 4, fringe benefit expenditures are recovered by applying a provisional rate to all programs.

Fund Balances

In accordance with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the MVRPC classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Non-spendable – resources that are not in spendable form such as inventory or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators; or imposed by law through constitutional provisions (MVRPC Charter) or enabling legislation.

Committed – resources that are constrained for specific purposes that are internally imposed by the MVRPC at its highest level of decision making authority.

Assigned – resources that are intended to be used for specific purposes, but are neither restricted nor committed. The amount designated for Future Year's Operation represents 50% of the current membership dues. This amount is designated because membership period is based upon the calendar year and 100% of the dues revenue is recognized during the current fiscal year.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned to specific purposes. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenditures for specific purposes exceeding amounts which had been restricted, committed or assigned for said purpose.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Budgets

Budgets for the general and special revenue fund are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee.

Estimates

The preparation of financial statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pensions/Other Postemployment Benefits (OPEB)

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

3. LEASE COMMITMENTS

MVRPC entered into an operating lease agreement for office space through December 31, 2024 and office equipment leases. The future minimum lease commitments as of June 30, 2019 are as follows:

<u>Fiscal Year Ended</u>	<u>Office Space</u>	<u>Equipment</u>
2020	\$172,500	\$9,372
2021	172,500	8,256
2022	172,500	7,140

Total rental expense for all equipment and office for the year ended June 30, 2019 was \$181,292. Current office equipment leases expire in the next two years, but are expected to be replaced with similar equipment and lease costs.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

4. COST ALLOCATION PLAN

A cost allocation plan is prepared annually by MVRPC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the provisions of Office of Management and Budget (OMB) 2CFR Part 200 and the U.S. Department of Health and Human Services' Circular OASC-10 and OMB Uniform Guidance. The plan is submitted to the over-site grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let MVRPC adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval. If the actual rates are less than the adjusted provisional rates, MVRPC must refund any over-billed amounts to the various grantor agencies. Conversely, MVRPC may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for FY2019.

Fringe Benefits

Fringe benefit costs are recorded in the general fund and allocated to the Special Grant revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2019 fringe benefit costs were allocated at a provisional rate of 61.0% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 60.18%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the Special Grant revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2019 indirect costs were allocated at a provisional rate of 45.8% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 43.26%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

5. CONTINGENCIES

The use of direct federal grant funds and state administered federal grant funds is subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based upon prior experience, management believes that MVRPC will not incur significant losses, if any, on possible grant disallowance.

6. INTERFUND ACTIVITY

As of June 30, 2019 there was an Interfund Receivable of \$373,084 in the General Fund and an Interfund Payable of \$373,084 in the Special Grant Revenue Fund. The due to represents amounts for grants receivable at June 30, 2019 from various Federal and State grants.

During the year ended June 30, 2019 the General Fund transferred \$183,706 to the Special Revenue Grant Fund to provide local matching funds associated with federal grant programs.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

7. CASH AND INVESTMENTS

Pooled Cash

The Commission's cash balances are held in the Montgomery County Treasury. Cash is held in a demand deposit account that is insured or collateralized by Federal Depository Insurance and by collateral held by a qualified third party trustee.

8. DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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

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

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

The proportionate share of each plan's excess unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in the 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
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The MVRPC's contractually required contributions for the traditional plan for 2019, 2018, and 2017 were \$248,016, \$221,794, and \$226,161, respectively. 82% has been contributed for 2019, and 100% has been contributed for 2018 and 2017. Of the amount for 2019, \$46,605 is reported as intergovernmental payable.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

	Beginning 1/1/2018 State and Local
2018 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2018 Actual Contribution Rates	
Employer:	
Pension	14.0%
Post-employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

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

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

	Traditional Pension Plan
Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,455,540
Proportion of the Net Pension Liability/(Asset)	0.012617%
Increase/(decrease) in % from prior proportion measured	-0.000293%
Pension Expense	\$ 682,472

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

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

	Traditional Pension Plan
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 469,014
Changes in assumptions	300,813
Differences between expected and actual experience	159
Changes in proportion and differences government contributions and proportionate share of contributions	5,457
MVRPC contributions subsequent to the measurement date	124,935
Total Deferred Outflows of Resources	\$ 900,378
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 45,374
Changes in proportion and differences government contributions and proportionate share of contributions	64,599
Total Deferred Inflows of Resources	\$ 109,973

\$124,935 reported as deferred outflows of resources related to pension resulting from MVRPC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal year Ending June 30:	Traditional Pension Plan
2020	\$ 268,371
2021	135,465
2022	43,509
2023	218,126
Total	\$ 665,471

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions - OPERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2018, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Combined Pension Plan
Valuation Date	December 31, 2018	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 8.25% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3/00% Simple through 2018, then 2.15% Simple

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.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

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

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

During 2018 OPERS manage 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. Within the defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first on the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

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

Asset Class	Target Allocation for 2018	Weighted Average Long-Term Expected Real Rate of Return
		(Arithmetic)
Fixed Income	23.00%	2.79%
Domestic Equities	19.00%	6.21%
Real Estate	10.00%	4.90%
Private Equity	10.00%	10.81%
International Equities	20.00%	7.83%
Other Investments	18.00%	5.50%
Total	100.00%	5.95%

Discount Rate The discount rate used to measure the total pension liability was 7.2%, post-experience study results, for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the MVRPC's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the MVRPC's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the MVRPC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

<u>Employer's Net Pension Liability</u>	<u>1% Decrease 6.2%</u>	<u>Current Discount Rate 7.2%</u>	<u>1% Increase 8.2%</u>
Traditional Pension Plan	\$ 5,104,838	\$ 3,455,540	\$ 2,084,959

9. DEFINED BENEFIT OPEB PLAN

Net OPEB Liability

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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.

Plan Description

The MVRPC's employees participate in the Ohio Public Employees Retirement System of Ohio (OPERS), which is a cost-sharing, multiple-employer retirement plan. OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. DEFINED BENEFIT OPEB PLAN (Continued)

funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans. The Plan is included in the report of OPERS which can be obtained by visiting www.opers.org or by calling (800) 222-7377.

Funding Policy – Ohio Revised Code Chapter 145 authorizes OPERS to offer the Plan and gives the OPERS Board of Trustees discretionary authority over how much, if any, of the health care costs will be absorbed by OPERS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the year ended December 31, 2018, OPERS allocated 0.0% of employer contributions to post-employment health care.

Net OPEB Liability

The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The MVRPC's proportion of the net OPEB liability was based on the MVRPC's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	OPERS
Proportionate Share of the Net OPEB Liability	\$ 1,738,962
Proportion of the Net OPEB Liability	0.013338%
Increase/(decrease) in % from prior proportion measured	0.000108%
OPEB Expense	\$ 161,459

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. DEFINED BENEFIT OPEB PLAN (Continued)

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

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	\$ 79,721
Changes in assumptions	56,066
Differences between expected and actual experience	589
Changes in proportion and differences government contributions and proportionate share of contributions	7,866
Total Deferred Outflows of Resources	\$ 144,242
Deferred Inflows of Resources	
Differences between expected and actual experience	\$ 4,719
Total Deferred Inflows of Resources	\$ 4,719

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

Fiscal Year Ending June 30:	OPERS
2020	\$ 66,203
2021	19,911
2022	13,248
2023	40,161
Total	\$ 139,523

Actuarial Assumptions - OPERS

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:

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MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. DEFINED BENEFIT OPEB PLAN (Continued)

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2017
Rolled-forward measurement date	December 31, 2018
Experience Study	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions:	
Single Discount Rate	3.96%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.71%
Wage Inflation	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)
Health Care Cost Trend Rate	10.0% initial, 3.25% ultimate in 2029

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. that employer

A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%. The projection of cash flows used to determine this single discount rate assumed 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 the year 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

The following table presents the OPEB liability calculated using the single discount rate of 3.96%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 2.96%	Current Discount Rate 3.96%	1% Increase 4.96%
MVRPC's proportionate share Of the net OPEB liability	\$ 2,224,778	\$ 1,738,962	\$ 1,352,607

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. DEFINED BENEFIT OPEB PLAN (Continued)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

	1% Decrease	Current Health Case Cost Trend Rate Assumption	1% Increase
MVRPC's proportionate Share Of the net OPEB liability	\$ 1,671,518	\$ 1,738,962	\$ 1,816,636

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2018	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
Total	100.00%	5.16%

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.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

9. DEFINED BENEFIT OPEB PLAN (Continued)

During 2018, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is a loss of 5.6% for 2018.

10. CAPITAL ASSETS

	<u>Balances at 6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at 6/30/2019</u>
<u>Capital Assets</u>				
Furniture and Fixture	\$ 78,804	\$ -	\$ -	\$ 78,804
Equipment	188,372	9,070	-	197,442
Leasehold Improvements	40,277	15,187	-	55,464
Total Capital Assets	<u>307,453</u>	<u>24,257</u>	<u>-</u>	<u>331,710</u>
<u>Accumulated Depreciation</u>				
Furniture and Fixture	62,238	4,820	-	67,058
Equipment	138,870	19,682	-	158,552
Leasehold Improvements	13,977	4,706	-	18,683
Total Accumulated Depreciation	<u>215,085</u>	<u>29,208</u>	<u>-</u>	<u>244,293</u>
Total Capital Assets, Net	<u>\$ 92,368</u>	<u>\$ (4,951)</u>	<u>\$ -</u>	<u>\$ 87,417</u>

11. SHORT and LONG TERM OBLIGATIONS

The following is a summary of long-term obligations for the year ended June 30, 2019.

	<u>Outstanding</u>			<u>Outstanding</u>	<u>Amount Due</u>
	<u>06/30/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/2019</u>	<u>Within One</u>
Compensated Absences	\$ 228,205	\$ 273,425	\$ (242,036)	\$ 259,594	\$ 39,365
Net Pension & OPEB					
Liability	<u>3,462,010</u>	<u>1,732,492</u>	<u>-</u>	<u>5,194,502</u>	<u>-</u>
Total Long Term					
Obligations	<u>\$ 3,690,215</u>	<u>\$ 2,005,917</u>	<u>\$ (242,036)</u>	<u>\$ 5,454,096</u>	<u>\$ 39,365</u>

Obligations will be paid from the fund from which the employees' salaries are paid.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019**

12. PROPERTY AND INSURANCE

The Commission is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2019, the Commission contracted with The Hartford Insurance Company, Marsh & McLennan Agency for the following insurance coverage:

Business personal property	\$ 649,800
Computer records and valuable papers	200,000
Comprehensive general liability	4,000,000
Business auto coverage	2,000,000
Public officials & employee liability	1,000,000

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

Miami Valley Regional Planning Commission
Montgomery County
 Required Supplementary Information
 Schedule of MVRPC's Proportionate Share of the Net Pension Liability
 Ohio Public Employees Retirement System - Traditional Plan
 Last Six Years (1)
For the Calendar Year Ended December 31

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
MVRPC's Proportion of the Net Pension Liability	0.012617%	0.012910%	0.013517%	0.011952%	0.013995%	0.013995%
MVRPC's Proportionate Share of the Net Pension Liability	\$ 3,455,540	\$ 2,025,329	\$ 3,069,622	\$ 2,070,198	\$ 1,688,013	\$ 1,649,887
MVRPC's Covered Payroll	\$ 1,704,202	\$ 1,759,382	\$ 1,747,432	\$ 1,693,908	\$ 1,649,657	\$ 1,627,336
MVRPC's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.8%	115.1%	175.7%	122.2%	102.3%	101.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available.

(2) Information is presented on a calendar year basis, consistent with measurement year used by OPERS.

Miami Valley Regional Planning Commission
Montgomery County
Required Supplementary Information
Schedule of MVRPC's Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Seven Fiscal Years (1)
For the Fiscal Year Ended June 30

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
Contractually Required Contribution	\$ 248,016	\$ 227,511	\$ 226,161	\$ 212,400	\$ 203,269	\$ 203,046	\$ 173,616
Contributions in Relation to the Contractually Required Contribution	248,016	227,511	226,161	212,400	203,269	203,046	173,616
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MVRPC Covered Payroll	\$ 1,771,543	\$ 1,686,621	\$ 1,759,382	\$ 1,770,000	\$ 1,693,914	\$ 1,627,336	\$ 1,501,793
Contributions as Percentage of Covered Payroll	14.00%	13.49%	12.85%	12.00%	12.00%	12.48%	11.56%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2013 is not available.

(2) Information is presented on a fiscal year basis, consistent with MVRPC's financial statements.

Miami Valley Regional Planning Commission
Montgomery County
Required Supplementary Information
Schedule of MVRPC's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Two Fiscal Years (1)
For the Calendar Year Ended December 31

	<u>2018</u>	<u>2017</u>	<u>2016</u>
MVRPC's Proportion of the Net OPEB Liability	0.013338%	0.013230%	0.013230%
MVRPC's Proportionate Share of the Net OPEB Liability	\$ 1,738,962	\$ 1,436,681	\$ 1,336,275
MVRPC's Covered Payroll	\$ 1,934,621	\$ 1,759,382	\$ 1,747,432
MVRPC's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	89.9%	81.7%	76.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	N/A

(1) Information prior to 2016 is not available.

(2) Information is presented on a calendar year basis, consistent with measurement year used by OPERS.

Miami Valley Regional Planning Commission
Montgomery County
 Required Supplementary Information
 Schedule of MVRPC's Contributions
 Ohio Public Employees Retirement System - OPEB Plan
 Last Two Fiscal Years (1)
For the Fiscal Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ -	\$ 8,602	\$ 20,233
Contributions in Relation to the Contractually Required Contribution	-	8,602	20,233
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MVRPC Covered Payroll	\$ 1,893,980	\$ 1,686,621	\$ 1,759,382
Contributions as Percentage of Covered Payroll	0.00%	0.51%	1.15%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2016 is not available.

(2) Information is presented on a fiscal year basis, consistent with MVRPC's financial statements.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Changes in Assumptions – OPERS

Amounts reported for fiscal year 2019 (Measurement Period 2018) incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2018 (Measurement Period 2017) and prior are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2018	December 31, 2017
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.20%	7.50%
Wage Inflation	3.25%	3.25%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	3.25% to 8.25% (Includes wage inflation of 3.25%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3/00% Simple through 2018, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. The significant change was a reduction in the investment rate of return from 7.50% to 7.20%.

Amounts reported for fiscal year 2017 (Measurement Period 2016) incorporated changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 (Measurement Period 2015) and prior are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Traditional Pension Plan
Valuation Date	December 31, 2016	December 31, 2015
Experience Study	5 Year Period Ended December 31, 2015	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions:		
Investment Rate of Return	7.50%	8.00%
Wage Inflation	3.25%	3.75%
Projected Salary Increases	3.25% to 10.75% (Includes wage inflation of 3.25%)	4.25% to 10.05% (Includes wage inflation of 3.75%)
Cost-of-Living Adjustments	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple	Pre - 1/7/2013 Retirees: 3.00% Simple; Post - 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.15% Simple

Changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended December 31, 2015. Significant changes included a reduction of the discount rate from 8.0% to 7.5%, a reduction in the wage inflation rate from 3.75% to 3.25%, and transition from RP-2000 mortality tables to the RP-2014 mortality tables.

**Miami Valley Regional Planning Commission
Montgomery County
Governmental Funds Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - General Fund**

For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Actual General Fund	Variance Positive (Negative)
Revenues:				
Grantor Agency	\$ 123,915	\$ 110,274	\$ 113,819	\$ 3,545
Other	50,115	55,115	22,453	(32,662)
Membership Dues	469,189	469,189	470,706	1,517
Total Revenues	643,219	634,578	606,978	(27,600)
Expenditures:				
Personnel	1,459,879	1,471,559	1,645,610	(174,051)
Contractual	296,124	310,475	176,399	134,076
Other	407,587	414,592	326,568	88,024
Indirect Costs	50,984	51,769	13,915	37,854
Capital Outlays	24,500	29,500	24,257	5,243
Total Expenditures	2,239,074	2,277,895	2,186,749	91,146
Excess of Expenditures Over Revenues	(1,595,855)	(1,643,317)	(1,579,771)	63,546
Other Financing Sources (Uses):				
Transfers-Out	(207,109)	(211,102)	(183,706)	27,396
Cost Allocation Plan Recoveries	1,802,964	1,854,419	1,911,056	56,637
Total Other Financing Sources	1,595,855	1,643,317	1,727,350	84,033
Change in Fund Balances	-	-	147,579	147,579
Fund Balance, July 1, 2018	3,802,077	3,802,077	3,802,077	-
Fund Balance, June 30, 2019	\$ 3,802,077	\$ 3,802,077	\$ 3,949,656	\$ 147,579

**Miami Valley Regional Planning Commission
Montgomery County
Governmental Funds Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual - Special Revenue Grant Fund**

For the Fiscal Year Ended June 30, 2019

	Original Budget	Final Budget	Special Revenue Grant Fund Actual	Variance Positive (Negative)
Revenues:				
Grantor Agency	\$ 4,055,024	\$ 4,256,272	\$ 3,245,761	\$ (1,010,511)
Other	207,109	211,102	183,706	(27,396)
Total Revenues	<u>4,262,133</u>	<u>4,467,374</u>	<u>3,429,467</u>	<u>(1,037,907)</u>
Expenditures:				
Personnel	2,093,461	2,154,008	1,997,865	156,143
Contractual	694,530	858,962	193,300	665,662
Other	722,446	678,970	557,677	121,293
Indirect Costs	958,805	986,536	864,331	122,205
Capital Outlays	-	-	-	-
Total Expenditures	<u>4,469,242</u>	<u>4,678,476</u>	<u>3,613,173</u>	<u>1,065,303</u>
Excess of Expenditures Over Revenues	<u>(207,109)</u>	<u>(211,102)</u>	<u>(183,706)</u>	<u>27,396</u>
Other Financing Sources (Uses):				
Transfers-In	207,109	211,102	183,706	(27,396)
Total Other Financing Sources	<u>207,109</u>	<u>211,102</u>	<u>183,706</u>	<u>(27,396)</u>
Change in Fund Balances	-	-	-	-
Fund Balance, July 1, 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Miami Valley Regional Planning Commission
Montgomery County
Schedule of General Capital Assets**

June 30, 2019

Capital Assets	
Furniture and Fixtures	\$ 78,804
Equipment	197,442
Leasehold Improvements	<u>55,464</u>
Total Capital Assets	331,710
Less: Accumulated Depreciation	<u>(244,293)</u>
Total Capital Assets, net	87,417
Investment in Capital Assets	
General Fund	264,112
Special Revenue Funds	<u>67,598</u>
Total Investment in Capital Assets	331,710
Less: Accumulated Depreciation	<u>(244,293)</u>
Total Investment in Capital Assets, net	<u>87,417</u>
Less lease liability	<u>-</u>
Total Investments in Capital Assets, net of liability	<u><u>\$ 87,417</u></u>

**Miami Valley Regional Planning Commission
Montgomery County
Schedule of Changes in General Capital Assets**

Year Ended June 30, 2019

	Balances at 7/1/18	Additions	Deletions	Balances at 6/30/19
<u>Capital Assets</u>				
Furniture and Fixtures	\$ 78,804	\$ -	\$ -	\$ 78,804
Equipment	188,372	9,070	-	197,442
Leasehold Improvements	40,277	15,187	-	55,464
Total Capital Assets	307,453	24,257	-	331,710
<u>Accumulated Depreciation</u>				
Furniture and Fixtures	62,238	4,820	-	67,058
Equipment	138,870	19,682	-	158,552
Leasehold Improvements	13,977	4,706	-	18,683
Total Accumulated Depreciation	215,085	29,208	-	244,293
Total Capital Assets, net	\$ 92,368	\$ (4,951)	\$ -	\$ 87,417

**Miami Valley Regional Planning Commission
Montgomery County
Schedule of Fringe Benefit Cost Pool Charges, Rate Base, Final
Rate Computation and Current Year's Recovery Comparison**

For the Fiscal Year Ended June 30, 2019

Fringe Benefit Cost Pool Charges:

Public Employees Retirement System Contributions	\$	279,907
Health Insurance Premiums		288,769
Life Insurance Premiums		1,321
Workers' Compensation Premiums		4,225
Unemployment Insurance		4,339
F.I.C.A. (Medicare) Expenses		27,971
Sick Leave Pay		91,727
Holiday Pay		82,979
Vacation, Personal and Other Leave		191,724
Housing Allowance		
Waived Health Premiums		4,893
Health administration		-
Employee parking		25,747
Total Fringe Benefit Cost Pool Charges		1,003,602

Fringe Benefit Cost Rate Base:

Salaries		1,667,660
----------	--	-----------

Final Fringe Benefit Cost Rate Computation:

Total Fringe Benefit Cost Pool Charges		1,003,602
Divided By: Total Fringe Benefit Cost Rate Base		1,667,660
Equals - Final Fringe Benefit Cost Rate		0.60180

Current Year's Cost Recovery Comparison:

Fringe Benefit Costs Recovered @ provisional rate of 61.0%		1,017,273
Fringe Benefits Over Recovered using Provisional Rate		13,671
Fringe Benefit Costs Recovered @ final rate of 60.18%		1,003,598
Total Fringe Benefit Cost Pool Charges		1,003,602
Final Over (Under) Recovered Costs	\$	(4)

**Miami Valley Regional Planning Commission
Montgomery County
Schedule of Indirect Cost Pool Charges, Rate Base, Final Rate
Computation and Current Year's Recovery Comparison**

For the Fiscal Year Ended June 30, 2019

Indirect Cost Pool Charges:

Salaries	\$ 358,172
Allocated Fringe Benefits (60.18%)	215,549
Contractual Services	60,045
Communication and Supplies	9,526
Rents and Rentals	174,917
Utilities and phone	13,817
Travel	870
Maintenance and Repairs	7,532
Hardware / software agreements	33,427
Allowance for Depreciation	22,562
Audit / legal	11,037
Total Indirect Costs	<u>907,454</u>

Indirect Cost Rate Base:

Direct Salaries	1,309,488
Allocated Fringe Benefits 60.18%	<u>788,053</u>
Total Indirect Cost Rate Base	<u><u>2,097,541</u></u>

Final Indirect Cost Rate Computation:

Total Indirect Cost Pool Charges	<u>907,454</u>
Divided By: Total Indirect Cost Rate Base	2,097,541
Equals - Final Indirect Cost Rate	<u><u>0.43263</u></u>

Current Year's Cost Recovery Comparison:

Indirect Cost Recovered @ Provisional Rates 45.8%

Direct Salaries	1,309,488
Direct FB @ provisional rate 61.0%	<u>798,788</u>
Provision rate base	2,108,276
Recovery using Provision rate base	965,590
Over (Under) recovered @ provisional basis	58,136

Indirect Cost Recovered @ Actual Rates 43.263%

Direct Salaries	1,309,488
Direct FB @ actual rate 60.18%	<u>788,050</u>
Provision rate base	2,097,538
Recovery using actual rate base @ 43.263%	<u>907,458</u>
Over (Under) recovered @ actual basis	<u><u>\$ 4</u></u>

Miami Valley Regional Planning Commission
Montgomery County
Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, and Ohio EPA by Work Element
Fiscal Year Ended June 30, 2019

Work Element	Project Description	FY	Personnel	Fringe Benefits	Contractual	Other	Indirect costs
601	Transit & Human Serv. Trans	18	\$ 17,029	\$ 10,248	\$ -	\$ 1,113	\$ 11,801
	Transit & Human Serv. Trans	19	23,313	14,030	400	(596)	16,155
	Safety Study	19	7,671	4,616	-	172	5,316
	Federal & State Legislation & regs	19	8,473	5,099	-	-	5,871
	601 Total		56,486	33,993	400	689	39,143
602	TIP SFY 16-19 & Amendments	18	8,497	5,113	-	465	5,888
	TIP SFY 16-19 & Amendments	19	61,989	37,305	-	(395)	42,958
	TIP Project Management	19	91,493	55,061	-	359	63,403
	602 Total		161,979	97,479	-	429	112,249
605	Trans. Database	18	17,610	10,598	-	1,183	12,203
	Trans. Database	19	77,194	46,456	-	5,572	53,494
	Planning Support	18	30,881	18,585	-	3,361	21,400
	Planning Support	19	75,030	45,153	-	2,919	51,994
	Regional GIS	19	65,348	39,326	-	34	45,285
	605 Total		266,063	160,118	-	13,069	184,376
610	LRP Update	18	31,594	19,013	-	2,441	21,894
	LRP Update	19	136,921	82,399	-	1,751	94,884
	Regional Planning	18	29,163	17,550	-	1,803	20,209
	Regional Planning	19	86,194	51,872	600	(3,425)	59,731
	Reg. Planning STP	19	71,294	42,905	-	3,847	49,406
	610 Total		355,166	213,739	600	6,417	246,124
625	Public Involv. & MR	18	13,669	8,226	-	3,398	9,472
	Public Involv. & MR	19	28,970	17,434	3,000	27,578	20,076
	Public Invlv. - Ohio Safety	18	-	-	-	6,000	-
	625 Total		42,639	25,660	3,000	36,976	29,548
665.11	Senior Trans Serv - Mo Co	19	-	-	25,608	-	-
	665 Total		-	-	25,608	-	-
667.1	Rideshare	19	56,153	33,793	9,340	317,115	38,913
667.12	Vanpool	16	-	-	47,200	-	-
667.2	Air Quality Awareness Program	19	37,476	22,553	-	164,927	25,970
	Enhanced AQ Forecasting	19	-	-	35,000	-	-
667.3	Alternative Transportation	19	29,881	17,982	5,161	1,400	20,707
	Regional Alt Trns Planning	19	71,345	42,936	-	2,669	49,441
	667 Total		194,855	117,264	96,701	486,111	135,031
674.1	Public Transit - FTA 5310	18	14,709	8,852	-	4,053	10,193
	Public Transit - FTA 5310	19	23,660	14,239	85,513	576	16,396
	Regional Coordinated Plan Pilot	18	54,602	32,860	7,085	9,502	37,838
	674 Total		92,971	55,951	92,598	14,131	64,427
697	Trans Program Admin	18	10,397	6,257	-	841	7,205
	Trans Program Admin	19	46,025	27,698	-	4,166	31,895
	695 Total		56,422	33,955	-	5,007	39,100
901	Regional Bike Central Website	12	-	-	(1,013)	-	-
	901 Total		-	-	(1,013)	-	-
OEPA	WQ 604(b) Activities	19	20,681	12,446	-	850	14,332
	WQ 604(b) OH FPA	19	6,311	3,798	60,000	13	4,374
	OEPA Total		26,992	16,244	60,000	863	18,706
Grand Totals			\$ 1,253,573	\$ 754,403	\$ 277,894	\$ 563,692	\$ 868,704

**Miami Valley Regional Planning Commission
Montgomery County
Officers and Executive Committee
as of June 30, 2019**

MVRPC Officers:

<u>Name</u>	<u>Organization</u>	<u>Title</u>
John Beals, Chair	Centerville	Council Member
Chris Mucher, Vice-Chair	Miami Twp. – Greene County	Trustee
Greg Simmons, 2nd Vice Chair	Miami County	Commissioner

Executive Committee Members:

<u>Name</u>	<u>Organization</u>	<u>Title</u>
Zach Upton	Beavercreek	Council Member
Deborah Wallace	Beavercreek Township	Trustee
Matt Joseph	Dayton	Commissioner
Rebecca Benná	Five Rivers MetroParks	Executive Director
Debbie Fouts	Franklin	Council Member
Brian Morris	Franklin Township	Council Member
Tom Koogler	Greene County	Commissioner
Woodrow Stroud	Greene County Transit Board	Board Member
Georgeann Godsey	Harrison Township	Trustee
Tony Klepacz	Kettering	Council Member
Judy Dodge	Montgomery County	Commissioner
William Vogt	Piqua	City Commissioner
Christopher Day	Preble County	Commissioner
Sara Lommatzsch	Riverside	Council Member
John Agenbroad	Springboro	Mayor
Michael Beamish	Troy	Mayor
Arthur Haddad	Troy Chamber of Commerce	Chairman
John Bruns	Union	Council Member
Brian Housh	Yellow Springs	Council Member

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**Miami Valley Regional Planning Commission
Montgomery County
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019**

Pass-Through Grantor/ Program Title	Grant Number or Description	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U. S. Environmental Protection Agency				
Pass-Through, Ohio Environmental Protection Agency				
Water Quality Management Planning	604(b) Water Quality Planning Facility Planning Area	66.454	MVRPC-FD60417	\$ 48,308
Total U. S. Environmental Protection Agency				<u>48,308</u>
U. S. Department of Transportation				
Pass-Through, Ohio Department of Transportation				
Highway Planning and Construction				
	Alternative Trans & Air Qlt Awareness	20.205	97752	361,057
	Consolidated Planning FY 2018	20.205	104295	303,285
	Consolidated Planning FY 2019	20.205	107010	1,166,363
	Landuse Transp. Plans	20.205	100453	167,452
	Rideshare	20.205	97750	455,313
	Van Pool	20.205	98240	47,200
	Supplemental Planning	20.205	97745	376,705
	Regional Coordinated Plan Pilot	20.205	106788	134,528
Total Highway Planning and Construction				<u>3,011,903</u>
Enhanced Mobility of Seniors and Individuals with Disabilities	ODOT/FTA 5310	20.513	107020	7,359
Total ODOT/FTA 5310				<u>7,359</u>
Direct Funding				
Enhanced Mobility of Seniors and Individuals with Disabilities	Public Transit Human Services Trans. Plan	20.513	N/A	178,191
Total Public Transit Human Services Trans. Plan				<u>178,191</u>
Total Enhanced Mobility of Seniors and Individuals with Disabilities				<u>185,550</u>
Total U.S. Department of Transportation				<u>3,197,453</u>
Total Expenditures of Federal Awards				<u><u>\$ 3,245,761</u></u>

The accompanying notes are an integral part of this schedule.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The MVRPC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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



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

December 19, 2019

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, OH 45402

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of **Miami Valley Regional Planning Commission**, Montgomery County (the MVRPC) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the MVRPC's basic financial statements and have issued our report thereon dated December 19, 2019.

Internal Control Over Financial Reporting

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

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Compliance and Other Matters

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



Perry and Associates
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Marietta, Ohio



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

December 19, 2019

Miami Valley Regional Planning Commission
Montgomery County
10 North Ludlow Street, Suite 700
Dayton, OH 45402

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited **Miami Valley Regional Planning Commission's** (the MVRPC) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Miami Valley Regional Planning MVRPC's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the MVRPC's major federal program.

Management's Responsibility

The MVRPC's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the MVRPC's compliance for the MVRPC's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the MVRPC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on the Major Federal Program

In our opinion, the Miami Valley Regional Planning Commission complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

The MVRPC's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the MVRPC's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the MVRPC's internal control over compliance.

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

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



MIAMI VALLEY REGIONAL PLANNING COMMISSION

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 23, 2020**