OHIO AUDITOR OF STATE
KEITH FABER

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY
JUNE 30, 2023

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

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

To Members of the Commission:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Richland County Regional Planning Commission, Richland County, Ohio as of June 30, 2023, and the change in its financial position its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Schedule of Direct Labor, Fringe Benefits, and General Overhead, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

April 29, 2024

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RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

The management's discussion and analysis of the Richland County Regional Planning Commission's (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended June 30, 2023. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole. Readers should also review the notes to the financial statements and the basic financial statements to enhance their understanding of the Commission's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- The Commission's net position decreased $12,817 from fiscal year 2022.
- Assets decreased $72,092 as a result of decreased receivables and noncurrent assets at fiscal year-end.
- Deferred outflows of resources increased $214,210 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension/OPEB liability/asset.
- Total liabilities increased by $446,750 from an increase in the net pension and net OPEB liability.
- Deferred inflows of resources decreased by $291,815 as a result of the change in deferred outflows reported at fiscal year-end related to the net pension liability/asset.
- Operating revenues increased by $150,560, which represents a 11.12% increase primarily due to an increase in coordination revenues.
- Total operating expenses increased by $414,908 or 37.91%, due to increased costs associated with the Transportation Coordination program, salaries and wages, and employee benefits.

Using this Annual Financial Report

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

Statement of Net Position

The Statement of Net Position looks at how well the Commission has performed financially from inception through June 30, 2023. This Statement includes all of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position balances using the accrual basis of accounting, which is the accounting method used by most private-sector companies. This basis of accounting takes into account all revenues earned and expenses incurred during the year, regardless as to when the cash is received or expended.

The Statement of Net position serves as a useful indicator of a government's financial position. The following schedule provides a summary of the Commission's Statement of Net Position for fiscal years ended June 30, 2023 and June 30, 2022:

Net Position

	Fiscal Year 2023	Fiscal Year 2022
Assets		
Current assets	$ 628,096	$ 597,115
Noncurrent assets:		
Net pension asset	996	2,476
Net OPEB asset	-	77,021
Capital assets, net of depreciation/amortization	247,530	272,102
Total noncurrent assets	248,526	351,599
Total assets	876,622	948,714
Deferred outflows of resources	308,665	94,455
Liabilities		
Current liabilities	109,535	109,850
Long-term liabilities:		
Lease liability	220,107	239,837
Compensated absences benefits	14,464	17,977
Net pension liability	632,952	178,629
Net OPEB liability	15,985	-
Noncurrent liabilities	883,508	436,443
Total liabilities	993,043	546,293
Deferred inflows of resources	5,271	297,086
Net position		
Net investment in capital assets	7,693	13,117
Unrestricted	179,280	186,673
Total net position	$ 186,973	$ 199,790

The net pension liability/asset and the net OPEB liability at June 30, 2023 are reported pursuant to GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*" and GASB Statement No. 75, respectively. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and OPEB, adding the net pension liability/asset and net OPEB liability to the reported net position, and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position reports operating activities for the fiscal year ended June 30, 2023. The following schedule provides a summary of the Commission's Statement of Revenues, Expenses and Changes in Net Position for fiscal years ended June 30, 2023 and June 30, 2022.

Change in Net Position

	2023	2022
Operating revenues		
Federal	$ 366,408	$ 308,226
State	53,130	46,422
Local governments	108,312	115,602
Coordination revenue	838,595	666,836
Local reimbursements	122,979	108,247
Other	14,709	108,240
Total operating revenues	1,504,133	1,353,573
Operating expenses		
Salaries and wages	370,265	353,411
Employee benefits	254,084	65,310
Staff expenses	11,128	7,332
Equipment & supplies	13,799	14,518
Contractual services	78,069	34,825
Occupancy and other	11,056	10,272
Coordination service	744,514	581,760
Depreciation/amortization	26,574	27,153
Total operating expenses	1,509,489	1,094,581
Operating income	(5,356)	258,992
Non-operating expenses		
Interest expense	(7,461)	(8,026)
Change in net position	(12,817)	250,966
Net position (deficit) at beginning of year	199,790	(51,176)
Net position at end of year	$ 186,973	$ 199,790

Revenues in total increased by $150,560. The revenues of the Coordination Program increased $171,759 in fiscal year 2023 due to the increase in transportation services. Other revenue decreased $93,531 in fiscal year 2023 from local support (Richland County, City of Mansfield, City of Shelby, City of Ontario, Village of Bellville, and Village of Lexington). In the prior fiscal year, expenses were made to a consultant to develop the Richland County Housing Needs Assessment and Action Plan (Plan). The Plan was completed in fiscal year 2023.

Operating expenses increased by $414,908, due mainly to an increase in salaries and wages, employee benefits, contractual services, and coordination services. A reduction in employee benefits expense for pension and OPEB expense of $59,066 was reported in fiscal year 2022, compared to $42,784 in fiscal year 2023, to accommodate GASB Statement No. 68 and GASB Statement No. 75, respectively.

Capital Assets

As of June 30, 2023, the Commission had capital assets, net of depreciation/amortization of $247,530 invested in furniture and equipment and intangible right to use leased building space. See Note 4 for additional information on capital assets.

Current Financial Issues

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

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

<u>Special Financial Management Notes for Fiscal Year 2023</u>

1) The Commission utilizes a Cost Allocation Plan (CAP) in order to allocate its fringe benefit costs and its indirect cost appropriately to all programs. The CAP is prepared under the oversight of the Ohio Department of Transportation, which serves as the cognizant agency. The Commission uses the "provisional method." For fiscal year 2023, the Commission operated under an approved rate, recovering on the basis of direct time. With the provisional method, at the end of the Fiscal Year the actual fringe benefit cost and indirect costs are finalized, and a final rate is determined, and the costs are adjusted for over recovery or under recovery.

Cost Allocation Plan	Estimated FY 2023	Actual FY 2023
Fringe Benefit Rate	55.44%	56.82%
Indirect Cost Rate	42.01%	36.21%
Total Overhead Cost Rate	97.45%	93.04%

2) In accordance with government accounting standards, the RCRPC adopted a policy to anticipate the financial impact of retiring employees who will be eligible for some financial compensation for unused sick leave. A total of $14,464. was booked in fiscal year 2023. The sick payable on retirement cannot be a part of a cost allocation plan until the year that the retirement distribution actually takes place.

3) The Commission incorporated "Program Assets" into its financial system several years prior to this fiscal year based on the recommendations of an extensive audit of its financial management and compliance procedures with Federal and State regulations and guidelines. This audit was conducted by the Ohio Department of Transportation of the Commission in its role as the Metropolitan Planning Organization (MPO). Program assets are those pieces of capital equipment that are purchased entirely from specific program funds because usage is devoted to that project. A typical example is traffic counting equipment being purchased using transportation planning funds.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the monies it receives. If you have any questions about this report or need additional information, please contact the Executive Director, Richland County Regional Planning Commission, 19 North Main Street, Mansfield, OH 44902, 419-774-5684.

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RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

Assets:	
Current assets:	
Cash	$ 413,024
Receivables:	
Federal	47,969
State	17,048
Local government	65,027
Coordination	85,028
Total current assets	628,096
Noncurrent assets:	
Net pension asset	996
Capital assets:	
Depreciable/amortized capital assets, net	247,530
Total noncurrent assets	248,526
Total assets	876,622
Deferred outflows of resources:	
Pension - OPERS	256,933
OPEB - OPERS	51,732
Total deferred outflows of resources	308,665
Liabilities:	
Current liabilities:	
Accounts payable	76,236
Accrued wages and benefits	11,335
Intergovernmental payable	1,634
Lease payable	19,730
Accrued interest payable	600
Total current liabilities	109,535
Noncurrent liabilities:	
Lease payable	220,107
Compensated absences payable	14,464
Net pension liability	632,952
Net OPEB liability	15,985
Total noncurrent liabilities	883,508
Total liabilities	993,043
Deferred inflows of resources:	
OPEB - OPERS	5,271
Net position:	
Net investment in capital assets	7,693
Unrestricted	179,280
Total net position	$ 186,973

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Operating revenues:	
Intergovernmental:	
Federal	$ 366,408
State	53,130
Local governments	108,312
Charges for services:	
Coordination	838,595
Local	122,979
Other	14,709
Total operating revenues	1,504,133
Operating expenses:	
Salaries and wages	370,265
Employee benefits	254,084
Staff expenses	11,128
Equipment	2,122
Supplies	11,677
Contractual services	78,069
Occupancy and other	11,056
Coordination service	744,514
Depreciation/amortization	26,574
Total operating expenses	1,509,489
Operating loss	(5,356)
Non-operating expenses:	
Interest expense	(7,461)
Change in net position	(12,817)
Net position at beginning of year	199,790
Net position at end of year	$ 186,973

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Cash flows from operating activities:		
Cash received from federal sources	$	346,363
Cash received from state sources		49,824
Cash received from local sources		104,527
Cash received from coordination		888,432
Cash received from other operating revenues		126,540
Cash payments to employees for services		(599,351)
Cash payments to suppliers for goods and services		(840,838)
Net cash provided by operating activities		75,497
Cash flows from capital and related financing activities:		
Acquisition of capital assets		(2,002)
Principal retirement on lease		(19,148)
Interest expense on lease		(7,508)
Net cash used in capital and related financing activities		(28,658)
Net increase in cash		46,839
Cash at beginning of year		366,185
Cash at end of year	$	413,024
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income	$	(5,356)
Adjustments:		
Depreciation/amortization		26,574
(Increase) decrease in assets and deferred outflows:		
Accounts receivable		15,858
Net pension asset		1,480
Net OPEB asset		77,021
Deferred outflows - pension		(169,564)
Deferred outflows - OPEB		(44,646)
Increase (decrease) in liabilities and deferred inflows:		
Accounts payable		16,495
Accrued wages and benefits		(14,940)
Intergovernmental payable		(2,405)
Compensated absences payable		(3,513)
Net pension liability		454,323
Net OPEB liability		15,985
Deferred inflows - pension		(216,962)
Deferred inflows - OPEB		(74,853)
Net cash provided by operating activities	$	75,497

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE ENTITY

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

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

B. Measurement Focus and Basis of Accounting

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

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

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

A deferred inflow of resources is an acquisition of net position and net OPEB by the Commission that is applicable to a future reporting period. The Commission reports deferred inflow of resources for the following items related to the Commission's net pension liability and net OPEB liability/asset: (1) differences between expected and actual experience, (2) changes of assumptions, (3) the net difference between projected and actual investment earnings on pension plan assets, and (4) differences between employer's contributions and the employer's proportional share of contributions.

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

C. Cash Deposits

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

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

D. Investments

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

E. Capital Assets and Depreciation/Amortization

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

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

The Commission is reporting intangible right to use assets related to leased building space. The intangible asset is being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

F. Indirect Costs and Fringe Benefits

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

G. Budgetary Accounting

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

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

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

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

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

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

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

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

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

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

H. Cash Equivalents

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

I. Compensated Absences

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

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

J. Accrued Liabilities and Long-Term Obligations

All payables and other accrued liabilities are reported on the statement of net position. Accrued liabilities include accounts payable, accrued wages and benefits, intergovernmental payables (e.g. amounts due to the retirement systems and ODE). Long-term obligations are detailed in Note 7 and include lease payable, compensated absences, and net pension liability. Net pension/OPEB liability should be recognized to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

K. Operating Revenues (Expenses)

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

L. Use of Estimates

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

M. Net Position

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

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

N. Pensions/Other Postemployment Benefits (OPEB)

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For fiscal year 2023, the Commission has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the Commission.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Commission.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the Commission.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the Commission.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Commission.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	Balance 07/01/22	Additions	Disposals	Balance 06/30/23
Capital assets, being depreciated/amortized:				
Furniture and equipment	$ 59,590	$ 2,002	$ -	$ 61,592
Intangible right to use:				
Leased building space	278,262	-	-	278,262
Capital assets, being amortized/depreciated	337,852	2,002	-	339,854
Less: accumulated depreciation/amortization:				
Furniture and equipment	(43,489)	(4,313)	-	(47,802)
Intangible right to use:				
Leased building space	(22,261)	(22,261)	-	(44,522)
Total accumulated depreciation/amortization	(65,750)	(26,574)	-	(92,324)
Capital assets, net	$ 272,102	$ (24,572)	$ -	$ 247,530

NOTE 5 - DEFINED BENEFIT PENSION PLAN

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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

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

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

NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients.

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

The remainder of this note includes the pension disclosures. See Note 6 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Commission employees contribute to OPERS' Traditional and Member-Directed Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. 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.

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NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans 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 and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost–of–living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

Beginning in 2022, the Combined Plan was consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	Traditional/ Combined Plan State & Local	Member Directed Plan State & Local
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension	14.0 %	10.0 %
Post-employment Health Care Benefits **	0.0 %	4.0 %
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

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

The Commission's contractually required contribution for the Traditional Pension Plan and Member-Directed Plan was $56,475 for fiscal year 2023. Of this amount $1,398 is reported in intergovernmental payable at June 30, 2023.

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

The net pension liability and net pension asset for OPERS was measured as of December 31, 2022, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability or asset was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	OPERS Traditional	OPERS Member-Directed	Total
Proportion of the net pension liability (asset) - prior measurement date	0.00205311%	0.01363702%	
Proportion of the net pension liability (asset) - current measurement date	0.00214269%	0.01273100%	
Change in proportionate share	0.00008958%	-0.00090602%	
Proportionate share of the net pension liability	$ 632,952	$ -	$ 632,952
Proportionate share of the net pension asset	-	(996)	(996)
Pension expense	98,278	(96)	98,182

NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional	OPERS Member-Directed	Total
Deferred outflows of resources:			
Differences between expected and actual experience	$ 21,024	$ 2,853	$ 23,877
Net difference between projected and actual earnings on pension plan investments	180,414	463	180,877
Changes of assumptions	6,687	63	6,750
Changes in employer's proportionate percentage/ difference between employer contributions	16,524	-	16,524
Contributions subsequent to the measurement date	24,226	4,679	28,905
Total deferred outflows of resources	$ 248,875	$ 8,058	$ 256,933

$28,905 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the fiscal year ending June 30, 2024.

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

	OPERS Traditional	OPERS Member-Directed	Total
Year Ending December 31:			
2024	$ 38,123	$ 478	$ 38,601
2025	45,045	505	45,550
2026	53,104	515	53,619
2027	88,377	583	88,960
2027	-	336	336
Thereafter	-	962	962
Total	$ 224,649	$ 3,379	$ 228,028

Actuarial Assumptions - OPERS

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

NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, are presented below for the Traditional Pension Plan.

Measurement and valuation date	December 31, 2022
Experience study	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Projected salary increases	
Current measurement date	2.75% to 10.75% (includes wage inflation at 3.25%)
Prior measurement date	2.75% to 10.75% (includes wage inflation at 3.25%)
Cost-of-living adjustments (COLA)	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 12.1% for 2022.

NOTE 5 - DEFINED BENEFIT PENSION PLAN - (Continued)

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

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00 %	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's proportionate share of the net pension liability:			
Traditional Pension Plan	$ 948,140	$ 632,952	$ 370,771
Member-Directed Plan	(637)	(996)	(1,273)

NOTE 6 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 5 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2023 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Commission did not make any contributions to fund health care.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to the retirement plan relative to the contributions of all participating entities.

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	OPERS
Proportion of the net OPEB asset - prior measurement date	0.00245906%
Proportion of the net OPEB liability - current measurement date	0.00253516%
Change in proportionate share	0.00007610%
Proportionate share of the net OPEB liability	$ 15,985
OPEB expense	(32,121)

At June 30, 2023, 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 OPEB plan investments	$ 31,750
Changes of assumptions	15,613
Changes in employer's proportionate percentage/difference between employer contributions	2,499
Contributions subsequent to the measurement date	1,870
Total deferred outflows of resources	$ 51,732

	OPERS
Deferred inflows of resources:	
Differences between expected and actual experience	$ 3,987
Changes of assumptions	1,284
Total deferred outflows of resources	$ 5,271

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

	OPERS
Year Ending December 31:	
2024	$ 7,490
2025	11,863
2026	9,901
2027	15,337
Total	$ 44,591

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022.

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Actuarial valuation date	December 31, 2021
Roll-forward measurement date	December 31, 2022
Experience study	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age normal
Actuarial cost assumptions:	
Single discount rate	
Current measurement date	5.22%
Prior measurement date	6.00%
Investment rate of return	
Current measurement date	6.00%
Prior measurement date	6.00%
Municipal bond rate	
Current measurement date	4.05%
Prior measurement date	1.84%
Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Projected salary increases	
Current measurement date	2.75 to 10.75% (includes wage inflation at 2.75%)
Prior measurement date	2.75 to 10.75% (includes wage inflation at 2.75%)
Health care cost trend rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior measurement date	5.50% initial, 3.50% ultimate in 2034

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 15.6% for 2022.

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

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real estate investment trust	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

Discount Rate - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

NOTE 6 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Commission's proportionate share of the net OPEB liability	$ 5,444	$ 15,985	$ (15,718)

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Commission's proportionate share of the net OPEB liability	$ 14,983	$ 15,985	$ 17,112

NOTE 7 - LONG TERM LIABILITIES

The Commission's long-term obligations activity during fiscal year 2023 consisted of the following.

	Balance at 06/30/22	Additions	Reductions	Balance at 06/30/23	Due Within One Year
Lease payable	$ 258,985	$ -	$ (19,148)	$ 239,837	$ 19,730
Compensated absences	17,977	55,419	(58,932)	14,464	
Net pension liability	178,629	454,323	-	632,952	-
Net OPEB liabililty	-	15,985	-	15,985	-
Total long-term obligations	$ 455,591	$ 525,727	$ (78,080)	$ 903,238	$ 19,730

<u>Lease Payable</u>
The Commission has entered into a lease agreement for the right to use building space for its office. In accordance with GASB Statement No. 87, the Commission has reported an intangible right to use capital asset and corresponding liability for the future scheduled payments under the lease agreement.

NOTE 7 - LONG TERM LIABILITIES

The Commission entered into a lease agreement on August 15, 2018. The lease term is fifteen years and commenced on January 1, 2019. The monthly rent of $2,221.33 is due in advance on the first day of each month.

The following is a schedule of future lease payments under the lease agreements:

Fiscal	Lease Payable		
Year	Principal	Interest	Total
2024	$ 19,730	$ 6,925	$ 26,655
2025	20,331	6,325	26,656
2026	20,949	5,707	26,656
2027	21,586	5,070	26,656
2028	22,243	4,413	26,656
2029-2033	121,786	11,496	133,282
2034-35	13,212	115	13,327
Total	$ 239,837	$ 40,051	$ 279,888

NOTE 8 - RISK MANAGEMENT

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

General Liability:	Limit: $1,000,000 per Occurrence - No Annual Aggregate
Auto Liability:	Limit: $1,000,000 per Occurrence - No Annual Aggregate
Crime Coverage:	$1,000,000 Limit - $25,000 Deductible
Property Coverage:	Combined Limits: Property Damage, Business Income, Extra Expense, Service Interruption - $100,000,000 each breakdown Real and Personal Property - Replacement Cost
Excess Liability:	Richland County $5,000,000 per Occurrence - No Annual Aggregate
Errors & Omissions Liability:	$1,000,000 per Occurrence - $1,000,000 Annual Aggregate $100,000 each Occurrence - Back Wages
Law Enforcement Liability:	$1,000,000 per Occurrence - No Annual Aggregate
Ohio Stop Gap Employers' Liability	$1,000,000 per Occurrence - No Annual Aggregate
Employee Benefits Liability	$1,000,000 per Occurrence - No Annual Aggregate
Privacy/Security/Liability Expenses	$1,000,000 per Occurrence - $1,000,000 Annual Aggregate

NOTE 8 - RISK MANAGEMENT - (Continued)

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

NOTE 9 - RISK SHARING POOL

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

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

NOTE 10 - CONTINGENCIES

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

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

NOTE 11 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the Commission received COVID-19 funding. The Commission will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2022	**2021**	**2020**	**2019**
Traditional Plan:				
Commission's proportion of the net pension liability/(asset)	0.00214269%	0.00205311%	0.00181080%	0.00178517%
Commission's proportionate share of the net pension liability/(asset)	$ 632,952	$ 178,629	$ 268,140	$ 352,851
Commission's covered-employee payroll	$ 323,857	$ 264,621	$ 256,536	$ 272,271
Commission's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	195.44%	67.50%	104.52%	129.60%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	75.74%	92.62%	86.88%	82.17%
Member Directed Plan:				
Commission's proportion of the net pension (asset)	0.01273054%	0.01363702%	0.01230239%	0.01210656%
Commission's proportionate share of the net pension (asset)	$ 996	$ (2,476)	$ (2,243)	$ (458)
Commission's covered-employee payroll	$ 92,930	$ 76,660	$ 73,500	$ 69,950
Commission's proportionate share of the net pension (asset) as a percentage of its covered-employee payroll	-1.07%	3.23%	3.05%	0.65%
Plan fiduciary net position as a percentage of the total pension (asset)	126.74%	171.84%	188.21%	118.84%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014	2013
0.00220768%	0.00191180%	0.00249855%	0.00347920%	0.00391500%	0.00391500%
$ 604,638	$ 299,924	$ 567,379	$ 602,641	$ 472,185	$ 406,569
$ 263,933	$ 293,608	$ 319,150	$ 436,625	$ 449,150	$ 397,238
229.09%	102.15%	177.78%	138.02%	105.13%	102.35%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
0.01340133%	0.02290947%	0.02476772%			
$ (305)	$ (800)	$ (103)			
$ 100,896	$ 97,400	$ 105,875			
0.30%	0.82%	0.10%			
113.42%	124.46%	103.40%			

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Traditional Plan:				
Contractually required contribution	$ 47,333	$ 45,340	$ 37,047	$ 35,915
Contributions in relation to the contractually required contribution	(47,333)	(45,340)	(37,047)	(35,915)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 338,093	$ 323,857	$ 264,621	$ 256,536
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	14.00%	14.00%
Member Directed Plan:				
Contractually required contribution	$ 9,141	$ 9,293	$ 7,666	$ 7,350
Contributions in relation to the contractually required contribution	(9,141)	(9,293)	(7,666)	(7,350)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 91,410	$ 92,930	$ 76,660	$ 73,500
Contributions as a percentage of covered-employee payroll	10.00%	10.00%	10.00%	10.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 38,118	$ 35,631	$ 36,701	$ 38,298	$ 52,395	$ 53,898
(38,118)	(35,631)	(36,701)	(38,298)	(52,395)	(53,898)
$ -	$ -	$ -	$ -	$ -	$ -
$ 272,271	$ 263,933	$ 293,608	$ 319,150	$ 436,625	$ 449,150
14.00%	13.50%	12.50%	12.00%	12.00%	12.00%
$ 6,995	$ 13,621	$ 12,175	$ 12,705		
(6,995)	(13,621)	(12,175)	(12,705)		
$ -	**$ -**	**$ -**	**$ -**		
$ 69,950	$ 100,896	$ 97,400	$ 105,875		
10.00%	13.50%	12.50%	12.00%		

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	2022	2021	2020	2019
Commission's proportion of the net OPEB liability/(asset)	0.00253516%	0.00245906%	0.00217495%	0.00213886%
Commission's proportionate share of the net OPEB liability/(asset)	$ 15,985	$ (77,021)	$ (38,749)	$ 295,433
Commission's covered-employee payroll	$ 416,787	$ 341,281	$ 330,036	$ 342,221
Commission's proportionate share of the net OPEB liability/(asset) as a percentage of its covered-employee payroll	-3.84%	22.57%	11.74%	86.33%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	94.79%	128.23%	115.57%	46.33%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016
0.00258395%	0.00267099%	0.00310146%
$ 336,885	$ 290,049	$ 313,258
$ 364,829	$ 391,008	$ 425,025
92.34%	74.18%	73.70%
46.33%	54.14%	54.14%

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
RICHLAND COUNTY, OHIO

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 3,656	$ 3,717	$ 3,067	$ 2,940
Contributions in relation to the contractually required contribution	(3,656)	(3,717)	(3,067)	(2,940)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 429,503	$ 416,787	$ 341,281	$ 330,036
Contributions as a percentage of covered-employee payroll	0.85%	0.89%	0.90%	0.89%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
$	2,798	$	1,824	$	5,865	$	8,501	$	7,485	$	6,468
	(2,798)		(1,824)		(5,865)		(8,501)		(7,485)		(6,468)
$	-	$	-	$	-	$	-	$	-	$	-
$	342,221	$	364,829	$	391,008	$	425,025	$	436,625	$	449,150
	0.82%		0.50%		1.50%		2.00%		1.71%		1.44%

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

DEFINED BENEFIT PENSION PLAN:

Changes in benefit terms:
There were no changes in benefit terms from the amounts reported for fiscal year 2014-2023.

Changes in assumptions:
There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.

For fiscal year 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
(a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%
(b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25%
(c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.

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

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

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2020-2021.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:
(a) wage inflation 3.25% down to 2.75%
(b) future salary increases 3.25% to 10.75% down to 2.75% to 10.75%
(c) COLA or ad hoc COLA: post 1/7/2013 retirees 0.50% simple through 2021, then 2.15% simple changed to 3.00% simple through 2022, then 2.05% simple
(d) investment rate of return from 7.20% down to 6.90%

There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

DEFINED BENEFIT OPEB PLAN:

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

For fiscal year 2021, the the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation.

There were no changes in benefit terms from the amounts reported for fiscal years 2022-2023.

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

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

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

DEFINED BENEFIT OPEB PLAN - (Continued):

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
(a) increase in the discount rate from 3.85% up to 3.96%
(b) decrease in the investment rate of return from 6.50% down to 6.00%
(c) increase in the municpal bond rate from 3.31% to 3.71%
(d) change in the health care cost trend rate from 7.50% initial, 3.25% ultimate in 2028 to 10.00% initial, 3.25 ultimate in 2029.

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
(a) decrease in the discount rate from 3.96% down to 3.16%
(b) decrease in the municpal bond rate from 3.71% down to 2.75%
(d) change in the health care cost trend rate from 10.00% initial, 3.25% ultimate in 2029 to 10.50% initial, 3.50% ultimate in 2030.

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB asset since the prior measurement date:
(a) increase in the discount rate from 3.16% up to 6.00%
(b) decrease in the municpal bond rate from 2.75% down to 2.00%
(d) change in the health care cost trend rate from 10.50% initial, 3.50% ultimate in 2030 to 8.50% initial, 3.50% ultimate in 2035.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
(a) decrease in the municpal bond rate from 2.00% down to 1.84%
(b) change in the health care cost trend rate from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:
(a) decrease in the discount rate from 6.00% down to 5.22%
(b) increase in the municpal bond rate from 1.84% to 4.05%
(b) change in the health care cost trend rate from 8.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2022- June 30, 2023

		ESTIMATED FY 2023	ACTUAL FY 2023	VARIANCE (OVER BUDGET) UNDER BUDGET	ESTIMATED FY 2023
EMPLOYEE WAGES					
Indirect Labor					
Acct. #	Acct. Name				
12	Indirect Labor	$60,783.00	$43,081.88	$17,701.12	$60,783.00
Subtotal - Indirect Labor		$60,783.00	$43,081.88	$17,701.12	$60,783.00
Direct Labor					
Acct. #	Acct. Name				
204.15	CDBG Admin & Fair Housing	$16,520.00	$26,376.10	($9,856.10)	$16,520.00
206.1	District 16 OPWC	$8,188.00	$8,082.70	$105.30	$8,188.00
207.1	District 16 NRAC	$2,580.00	$1,865.60	$714.40	$2,580.00
601.1	Short Range Transportation Planning	$228,347.00	$190,363.79	$37,983.21	$228,347.00
674.2	RCTB General	$53,615.00	$54,701.47	($1,086.47)	$53,615.00
674.4	Agency Coordination	$37,775.00	$36,116.28	$1,658.72	$37,775.00
901.1	Local Service	$11,198.00	$9,677.13	$1,520.87	$11,198.00
Subtotal - Direct Labor		$358,223.00	$327,183.07	$31,039.93	$358,223.00
TOTAL EMPLOYEE WAGES		$419,006.00	$370,264.95	$48,741.05	$419,006.00
FRINGE BENEFITS COST CENTER					
Paid Leave					
Acct. #	Acct. Name				
211	Holiday Leave Taken	$20,443.00	$15,141.59	$5,301.41	$20,443.00
2122	Vacation Leave Accrued	$29,257.00	$32,260.00	($3,003.00)	$29,257.00
221	Sick Leave Taken & pd at retirement	$17,794.00	$10,632.91	$7,161.09	$17,794.00
Subtotal - Paid Leave		$67,494.00	$58,034.50	$9,459.50	$67,494.00
Other Fringe Benefits					
Acct. #	Acct. Name				
22	PERS (Employer Share)	$65,851.00	$60,131.39	$5,719.61	$65,851.00
23	Workers Compensation	$3,000.00	$1,244.00	$1,756.00	$3,000.00
24	Medicare	$6,820.00	$6,069.73	$750.27	$6,820.00
251	Health Ins., Dental, VEBA, & Buyout	$87,827.00	$83,816.60	$4,010.40	$87,827.00
252	Life - County	$120.00	$1,091.65	($971.65)	$120.00
253	Life - RCRPC	$1,200.00	$0.00	$1,200.00	$1,200.00
Subtotal - Other Fringe		$164,818.00	$152,353.37	$12,464.63	$164,818.00
TOTAL FRINGE BENEFITS		$232,312.00	$210,387.87	$21,924.13	$232,312.00

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2022- June 30, 2023

INDIRECT COST CENTER - NON-LABOR

Acct. #	Acct. Name	ESTIMATED FY 2023	ACTUAL FY 2023	VARIANCE (OVER BUDGET) UNDER BUDGET	ESTIMATED FY 2023
311	Mileage, parking Reimbursement	$200.00	$0.00	$200.00	$200.00
313	Lodging Reimbursement	$500.00	$0.00	$500.00	$500.00
32.02	Vehicle Exp Applied by WE miles	$100.00	$0.00	$100.00	$100.00
33	Professional Memberships	$500.00	$713.00	($213.00)	$500.00
34	Local Registration/Conference	$300.00	$0.00	$300.00	$300.00
35	Other Registration/Conference	$500.00	$68.00	$432.00	$500.00
36	RCRPC Meeting expense	$350.00	$435.00	($85.00)	$350.00
37	Parking for staff and agency vehicle	$0.00	$95.14	($95.14)	$0.00
40	Equipment - other	$2,000.00	$0.00	$2,000.00	$2,000.00
41	Leases - Copy Service	$2,200.00	$393.60	$1,806.40	$2,200.00
43	Purchases	$3,000.00	$1,317.32	$1,682.68	$3,000.00
44	Depreciation	$1,500.00	$166.75	$1,333.25	$1,500.00
51	Office (supplies, etc.)	$3,000.00	$1,765.76	$1,234.24	$3,000.00
53	Postage	$600.00	$191.11	$408.89	$600.00
55	Publications	$400.00	$223.91	$176.09	$400.00
56	Software	$250.00	$1,558.37	($1,308.37)	$250.00
62	Legal Services & Public Notices	$600.00	$598.20	$1.80	$600.00
64	Other Consultants & Misc.	$3,000.00	$5,760.00	($2,760.00)	$3,000.00
71	Occupancy - Rent	$35,000.00	$35,691.31	($691.31)	$35,000.00
73	Occupancy - telephones	$2,000.00	$1,958.23	$41.77	$2,000.00
4300	Non-Budgeted Revenue	$0.00	($10.00)	$10.00	$0.00
TOTAL INDIRECT COSTS - NON-LABOR		$56,000.00	$50,925.70	$5,074.30	$56,000.00

FRINGE BENEFIT COST RATE CALCULATION

		ESTIMATED FY 2023	ACTUAL FY 2023	VARIANCE	ESTIMATED FY 2023
TOTAL FRINGE BENEFITS	A	$232,312	$210,388		$232,312
TOTAL EMPLOYEE WAGES	B	$419,006	$370,265		$419,006
FRINGE BENEFIT COST RATE		**55.44%**	**56.82%**	**A ÷ B**	**55.44%**

FRINGE BENEFIT COST RECOVERY COMPARISON FY 2023

Should have recovered in fiscal year	+	$185,908	Actual DL * Actual Fringe Rate
Amount actually recovered in fiscal year	-	$181,402	Actual DL * Estimated Fringe Rate
Prior Year Net (Over) / Under Recovery	+	$0	
Prior Year (Over) / Under Recovery Posted to Cost Center	-	$0	
(Over) / Under Recovery of Fringe Benefits	=	$4,506	

FRINGE BENEFITS COST DISTRIBUTION

	ESTIMATED FY 2023	ACTUAL FY 2023	ESTIMATED FY 2023
INDIRECT LABOR FRINGE BENEFITS	$33,700	$24,480	$33,700
DIRECT LABOR FRINGE BENEFITS	$198,612	$185,908	$198,612
TOTAL FRINGE BENEFITS	$232,312	$210,388	$232,312

INDIRECT COST RATE CALCULATION

		ESTIMATED FY 2023	ACTUAL FY 2023	VARIANCE	ESTIMATED FY 2023
INDIRECT LABOR		$60,783	$43,082		$60,783
INDIRECT FRINGE BENEFITS		$33,700	$24,480		$33,700
OTHER INDIRECT COSTS		$56,000	$50,926		$56,000
TOTAL INDIRECT COSTS	A	$150,483	$118,487		$150,483
TOTAL DIRECT LABOR COSTS* **(see note 1)**	B	$358,223	$327,183		$358,223
INDIRECT COST RATE		**42.01%**	**36.21%**	**A ÷ B**	**42.01%**

RICHLAND COUNTY REGIONAL PLANNING COMMISSION
SCHEDULE OF DIRECT LABOR, FRINGE BENEFITS, AND GENERAL OVERHEAD
July 1, 2022- June 30, 2023

		ESTIMATED FY 2023	ACTUAL FY 2023	VARIANCE (OVER BUDGET) UNDER BUDGET	ESTIMATED FY 2023
INDIRECT COST RECOVERY COMPARISON FY 2023					
Should have recovered in fiscal year	+		$118,487	Actual DL * Actual Indirect Rate	
Amount actually recovered in fiscal year	-		$137,444	Actual DL * Estimated Indirect Rate	
Prior Year Net (Over) / Under Recovery	+		$0		
Prior Year (Over) / Under Recovery Posted to Cost Center	-		$0		
(Over) / Under Recovery of Indirect Costs	=		($18,957)		

SUMMARY

	ESTIMATED FY 2023	ACTUAL FY 2023	ESTIMATED FY 2023
FRINGE BENEFIT COST RATE	**55.44%**	**56.82%**	**55.444%**
INDIRECT COST RATE	**42.01%**	**36.21%**	**42.008%**
TOTAL OVERHEAD COST RATE	**97.45%**	**93.04%**	**97.45%**

Notes:

1 The direct labor associated with the County Engineer's GIS program is included in the total labor denominator for the calculation of the fringe benefits cost rate, but is not included in the direct labor denominator for the calculation of the indirect cost rate. This has been approved by ODOT as the U.S. DOT - FHWA and 2 CFR 200 recognized Pass-Through Entity for RCRPC's annual Cost Allocation Plan . The RCRPC and the County Engineer have a shared employee who is only on the payroll of the RCRPC but performs his work for the County Engineer at the offices of the County Engineer and not at the RCRPC office. Thus, an allocation of RCRPC indirect costs to this direct labor is not warranted. However, an allocation of fringe benefits costs is required.

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To Members of the Commission:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the Richland County Regional Planning Commission, Richland County, Ohio, (the Commission) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated April 29, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

April 29, 2024

OHIO AUDITOR OF STATE
KEITH FABER

RICHLAND COUNTY REGIONAL PLANNING COMMISSION

RICHLAND COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/14/2024

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

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