



**FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2019-2018**



**FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION  
FAIRFIELD COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Fairfield County Regional Planning Commission  
Fairfield County  
210 East Main Street  
Lancaster, Ohio 43130

To the Executive Committee:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Fairfield County Regional Planning Commission, Fairfield County, Ohio (the Commission) as of and for the years ended December 31, 2019 and 2018.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the Commission prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Commission does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Fairfield County Regional Planning Commission, Fairfield County, as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 15 and Note 14 to the financial statements, during 2019 and 2018 respectively, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. We did not modify our opinion regarding this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, prominent "K" and "F".

Keith Faber  
Auditor of State

Columbus, Ohio

April 30, 2020

**Fairfield County Regional Planning Commission  
Fairfield County**

**Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2019**

	General
<b>Cash Receipts</b>	
Charges for Services	\$ 85,602
Fines, Licenses and Permits	21,350
County Contributions	150,000
Member Contributions - Intergovernmental	35,086
Other	6,785
<i>Total Cash Receipts</i>	298,824
<b>Cash Disbursements</b>	
Current:	
Economic Development:	
Personal Services	182,694
Fringe Benefits	64,383
Materials and Supplies	467
Contractual Services	10,803
Capital Outlay	1,779
<i>Total Cash Disbursements</i>	260,127
<i>Excess of Receipts Over (Under) Disbursements</i>	38,697
 <i>Fund Cash Balances, January 1</i>	 224,084
<b>Fund Cash Balances, December 31</b>	
Assigned	3,424
Unassigned (Deficit)	259,357
<i>Fund Cash Balances, December 31</i>	\$ 262,781

*See accompanying notes to the basic financial statements*



**Fairfield County Regional Planning Commission  
Fairfield County**

**Statement of Receipts, Disbursements  
and Changes in Fund Balances (Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2019**

	<u>Fiduciary Fund Type</u>
	<u>Custodial</u>
<b>Operating Cash Receipts</b>	
Other	\$ 66,624
	.
Total Operating Cash Receipts	<u>66,624</u>
<b>Operating Cash Disbursements</b>	
Contractual Services	<u>-</u>
Total Operating Cash Disbursements	<u>-</u>
Operating Income (Loss)	<u>66,624</u>
Fund Cash Balances, January 1 -	<u>-</u>
Fund Cash Balances, December 31	<u>\$ 66,624</u>

*See accompanying notes to the basic financial statements*

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**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Fairfield County Regional Planning Commission (the Commission), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A 42-member Board governs the Commission. The Commission consists of the following; Municipal Members, Township Members, Citizen Members, Fairfield County Board of Commissioners and three At Large Members (resident citizens of the region) and Ex-officio Members consisting of: the County Engineer, the District Conservationist of the Soil Conservation District, the District Technician of the Fairfield Soil and Water Conservation District, a representative from the Health Department, the County Sanitary Engineer and other appropriate officials as may be appointed by the Regional Planning Commission. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The participating subdivisions are:

Fairfield County	Pleasant Township	Carroll Village
Amanda Township	Richland Township	Baltimore Village
Berne Township	Rush Creek Township	Pleasantville Village
Bloom Township	Violet Township	Rushville Village
Clear Creek Township	Walnut Township	West Rushville Village
Greenfield Township	Amanda Village	Bremen Village
Hocking Township	Sugar Grove Village	Pickerington City
Lancaster City	Canal Winchester City	Millersport Village
Liberty Township	Lithopolis Village	Thurston Village
Madison Township	Stoutsville Village	

The Commission is operated by an Executive Committee consisting of: President, two Vice Presidents, Secretary, Immediate past President and not less than two other members. The Regional Planning Commission grants the Director authorization to execute transactions up to budgeted expenditures and disbursements, or commitments or purchase orders for expenditure of disbursements. Unbudgeted expenditures require Regional Planning Commission approval. The Fairfield County Auditor is the Fiscal Officer for the Commission.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

***Jointly Governed Organization and Public Entity Risk Pool***

The Commission participates in the Central Ohio Rural Transportation Planning Organization (CORTPO), a jointly governed organization, and the County Risk Sharing Authority (CORSAs) a public entity risk pool. Notes 6 and 7 to the financial statements provides additional information.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Commission's financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for a governmental fund type and a statement of receipts, disbursements and changes in fund balances (cash basis) for a -custodial fund type which are organized on a fund type basis.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Accounting***

The Commission uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Commission are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Fiduciary Funds*** Fiduciary funds include custodial funds. Custodial funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Commission disburses these funds as directed by the individual, organization or other government. The Commission's custodial fund, Letter of Credit, accounts for cash bonds received by developers. Upon completion of a subdivision, the remaining amount on the bonds not spent for construction expenditures are returned to the developer.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Commission recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Commission, although not required by Ohio Law, adopts a budget annually per their by-laws.

***Appropriations Budgetary*** expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Commission's Governing Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources Estimated*** resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Commission reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 4.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Deposits and Investments***

As the Ohio Revised Code permits, the Fairfield County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

***Capital Assets***

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

***Committed*** The Commission can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Commission or a Commission official delegated that authority by resolution, or by State Statute.

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

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

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

**Note 3 – Change in Accounting Principle**

A. Changes in Accounting Principle

For 2019, the Commission has implemented Governmental Accounting Standard Board (GASB) Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities. Due to the implementation of GASB Statement No. 84, the Commission will no longer be reporting agency funds. The Commission reviewed its agency fund and the fund will be reported in the new fiduciary fund classification of custodial funds. The implementation of this statement resulted in no restatement of the Commission's financial statements.

**Note 4 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$282,600	\$298,824	\$16,224

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$287,477	\$262,251	\$25,226

**Note 5 – Deposits**

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 6 – Jointly Governed Organization**

**Central Ohio Rural Transportation Planning Organization**

The Central Ohio Rural Transportation Planning Organization is a jointly governed organization created to enhance the planning, coordination, and implementation of long-range and short-range transportation plans and transportation improvement programs and to seek capital support for infrastructure and public transportation projects within Fairfield, Knox, Madison, Marion, Morrow, Pickaway, and Union counties. The Organization's Rural Planning Committee consists of two local elected officials or their designee selected by the County Board of Commissioners for their respective county. These representatives are referred to as County Appointed Representatives. These representatives also serve on the County Sub-Committee. Each County's Sub-Committee advises the Rural Planning Committee. Additional representatives on the rural planning committee shall consist of one representative from each county sub-committee selected by all the county appointed representatives of the rural planning committee. These representatives must be appointed biannually by their appointing authority. Additional ex-officio representatives shall include appropriate State and federal transportation officials. The County Sub-Committees consist of two County appointed rural planning committee representatives, one member of the County Board of Commissioners or designee, the County engineer, a representative from the largest City, a representative of the Regional Planning Commission, representation of other municipalities and townships within the County, representation of agencies that provide transportation services in the County, representatives from the ODOT district office or county garage, representative of business and general citizenry, and any other representative that the County Board of Commissioners invites to participate. In 2019, the Commission made no payments to the Organization. Continued existence of the Organization is not dependent upon the Commission's continued participation, no equity interest exists, and no debt is outstanding.

**Note 7 – Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for 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. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. 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 time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 8 – Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Commission has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers' Compensation program, \$1,000,000 for errors and omissions liability wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Privacy and Security liability coverage is \$5,000,000 per occurrence with an annual aggregate of \$5,000,000. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

***Self-Insurance***

The County has a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third-party administrator. Health is provided by United Health Care and drug is provided by OptumRX.

**Note 9 – Defined Benefit Pension Plan**

***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. While members (e.g. Commission employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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



**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Defined Benefit Pension Plan (continued)**

**Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)**

writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members 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 CAFR referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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

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

When a 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 retiring prior to January 7, 2013, current law provides for a 3 percent COLA. 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 percent.

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

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Defined Benefit Pension Plan (continued)**

**Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)**

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.

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

	State and Local
<b>2019 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
 <b>2019 Actual Contribution Rates</b>	
Employer:	
Pension *****	13.0 %
Post-employment Health Care Benefits *****	1.0
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2019, the Commission's contractually required contribution was \$25,105 for the traditional plan. For 2019, 93% has been contributed with the balance contributed in January 2020.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 10 – Postemployment Benefits**

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

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

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

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

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority 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, health care was no longer being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2019, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, beginning January 1, 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 10 – Postemployment Benefits (continued)**

***Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)***

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 2019 was 4.0 percent.

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

**Note 11 – Other Employer Benefits**

The Commission also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Commission provides life insurance and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

**Note 12 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the general fund for fiscal year ending December 31, 2019 is presented as follows:

<b><i>Assigned to</i></b>	
Purchases on Order	\$ 2,124
Subsequent Year's Appropriations	1,300
<b><i>Total Assigned</i></b>	<b>3,424</b>
<b><i>Unassigned</i></b>	<b>259,357</b>
<b><i>Total Fund Balances</i></b>	<b>\$ 262,781</b>

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 13 - Other Commitments**

The Commission utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year ended December 31, 2019, the Commission's commitments for encumbrances in the governmental fund were as follows:

Fund	Encumbrances
General	\$ 2,124

**Note 14 - Related Party Transactions**

The Regional Planning Commission provided contributions to the County in the form of salaries and fringe benefits for administration and fair housing services associated with the Community Development Critical Infrastructure program. The cost of these contributions is \$10,665.

**Note 15 - Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. In addition, the impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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**Fairfield County Regional Planning Commission  
Fairfield County**

**Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)  
Governmental Fund Type  
For the Year Ended December 31, 2018**

	General
<b>Cash Receipts</b>	
Charges for Services	37,484
Fines, Licenses and Permits	23,700
County Contributions	150,000
Member Contributions - Intergovernmental	34,958
Other	6,173
<i>Total Cash Receipts</i>	252,315
<b>Cash Disbursements</b>	
Current:	
Economic Development:	
Personal Services	174,537
Fringe Benefits	62,307
Materials and Supplies	873
Contractual Services	14,067
Capital Outlay	386
<i>Total Cash Disbursements</i>	252,170
<i>Excess of Receipts Over (Under) Disbursements</i>	145
 <i>Fund Cash Balances, January 1</i>	 223,939
<b>Fund Cash Balances, December 31</b>	
Assigned	2,848
Unassigned (Deficit)	221,236
<i>Fund Cash Balances, December 31</i>	\$224,084

*See accompanying notes to the basic financial statements*

**Fairfield County Regional Planning Commission  
Fairfield County**

**Statement of Receipts, Disbursements  
and Changes in Fund Balances (Cash Basis)  
Fiduciary Fund Type  
For the Year Ended December 31, 2018**

	<u>Fiduciary Fund Type</u>
	<u>Agency</u>
<b>Operating Cash Receipts</b>	
Other	<u>\$150,999</u>
Total Operating Cash Receipts	<u>150,999</u>
<b>Operating Cash Disbursements</b>	
Contractual Services	<u>\$150,999</u>
Total Operating Cash Disbursements	<u>150,999</u>
Operating Income (Loss)	<u>0</u>
Fund Cash Balances, January 1	<u>0</u>
Fund Cash Balances, December 31	<u><u>\$0</u></u>

*See accompanying notes to the basic financial statements*



**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 1 – Reporting Entity**

The Fairfield County Regional Planning Commission (the Commission), Fairfield County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A 42-member Board governs the Commission. The Commission consists of the following; Municipal Members, Township Members, Citizen Members, Fairfield County Board of Commissioners and three At Large Members (resident citizens of the region) and Ex-officio Members consisting of: the County Engineer, the District Conservationist of the Soil Conservation District, the District Technician of the Fairfield Soil and Water Conservation District, a representative from the Health Department, the County Sanitary Engineer and other appropriate officials as may be appointed by the Regional Planning Commission. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the County. The participating subdivisions are:

Fairfield County	Pleasant Township	Carroll Village
Amanda Township	Richland Township	Baltimore Village
Berne Township	Rush Creek Township	Pleasantville Village
Bloom Township	Violet Township	Rushville Village
Clear Creek Township	Walnut Township	West Rushville Village
Greenfield Township	Amanda Village	Bremen Village
Hocking Township	Sugar Grove Village	Pickerington City
Lancaster City	Canal Winchester City	Millersport Village
Liberty Township	Lithopolis Village	Thurston Village
Madison Township	Stoutsville Village	

The Commission is operated by an Executive Committee consisting of: President, two Vice Presidents, Secretary, Immediate past President and not less than two other members. The Regional Planning Commission grants the Director authorization to execute transactions up to budgeted expenditures and disbursements, or commitments or purchase orders for expenditure of disbursements. Unbudgeted expenditures require Regional Planning Commission approval. The Fairfield County Auditor is the Fiscal Officer for the Commission.

The Commission's management believes these financial statements present all activities for which the Commission is financially accountable.

***Jointly Governed Organization and Public Entity Risk Pool***

The Commission participates in the Central Ohio Rural Transportation Planning Organization (CORTPO), a jointly governed organization, and the County Risk Sharing Authority (CORSAs) a public entity risk pool. Notes 5 and 6 to the financial statements provides additional information.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Commission's financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for a governmental fund type and a statement of receipts, disbursements and changes in fund balances (cash basis) for a fiduciary fund type which are organized on a fund type basis.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Accounting***

The Commission uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Commission are presented below:

***General Fund*** The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Commission for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Fiduciary Funds*** Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Commission disburses these funds as directed by the individual, organization or other government. The Commission's agency fund, Letter of Credit, accounts for cash bonds received by developers. Upon completion of a subdivision, the remaining amount on the bonds not spent for construction expenditures are returned to the developer.

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Commission recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

***Budgetary Process***

The Commission, although not required by Ohio Law, adopts a budget annually per their by-laws.

***Appropriations Budgetary*** expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Commission's Governing Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources Estimated*** resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

***Encumbrances*** The Commission reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 2 – Summary of Significant Accounting Policies (continued)**

***Deposits and Investments***

As the Ohio Revised Code permits, the Fairfield County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

***Capital Assets***

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

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

***Committed*** The Commission can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Commission or a Commission official delegated that authority by resolution, or by State Statute.

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

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 – Summary of Significant Accounting Policies (continued)**

***Fund Balance (continued)***

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

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$269,600	\$252,315	(\$17,285)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$295,002	\$253,838	\$41,164

**Note 4 – Deposits**

The fiscal agent is responsible for maintaining adequate depository collateral for all funds in the fiscal agent's pooled and deposit accounts. All risks associated with the above deposits are the responsibility of the fiscal agent.

**Note 5 – Jointly Governed Organization**

**Central Ohio Rural Transportation Planning Organization**

The Central Ohio Rural Transportation Planning Organization is a jointly governed organization created to enhance the planning, coordination, and implementation of long-range and short-range transportation plans and transportation improvement programs and to seek capital support for infrastructure and public transportation projects within Fairfield, Knox, Madison, Marion, Morrow, Pickaway, and Union counties. The Organization's Rural Planning Committee consists of two local elected officials or their designee selected by the County Board of Commissioners for their respective county. These representatives are referred to as County Appointed Representatives. These representatives also serve on the County Sub-Committee. Each County's Sub-Committee advises the Rural Planning Committee. Additional representatives on the rural planning committee shall consist of one representative from each county sub-committee selected by all the county appointed representatives of the rural planning committee. These representatives must be appointed biannually by their appointing authority.

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 5 – Jointly Governed Organization (continued)**

**Central Ohio Rural Transportation Planning Organization (continued)**

Additional ex-officio representatives shall include appropriate State and federal transportation officials. The County Sub- Committees consist of two County appointed rural planning committee representatives, one member of the County Board of Commissioners or designee, the County engineer, a representative from the largest City, a representative of the Regional Planning Commission, representation of other municipalities and townships within the County, representation of agencies that provide transportation services in the County, representatives from the ODOT district office or county garage, representative of business and general citizenry, and any other representative that the County Board of Commissioners invites to participate. In 2018, the Commission made no payments to the Organization. Continued existence of the Organization is not dependent upon the Commission's continued participation, no equity interest exists, and no debt is outstanding.

**Note 6 – Public Entity Risk Pool**

The County Risk Sharing Authority, Inc. (CORSA) is a shared risk pool among sixty-six counties in Ohio. CORSA was formed as an Ohio non-profit corporation for 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. The coverage includes comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, which will be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the Corporation. 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 time. Each member's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation to provide adequate cash reserves. The certificates are secured by the members' obligations to make coverage payments to CORSA. The participating members have no responsibility for the payment of the certificates. The Commission does not have an equity interest in CORSA.

**Note 7 – Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries, and natural disaster. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the Commission has addressed these various types of risk.

The CORSA program has a \$5,000 deductible which is applicable to all insured coverages, including property, automobile, and a \$25,000 deductible for insured liability coverages, including general and professional liability, except for employee dishonesty/faithful performance which has no deductible. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence, no annual aggregate. Other liability insurance includes \$1,000,000 for Ohio Stop Gap, which provides additional coverage beyond the State Workers' Compensation program, \$1,000,000 for errors and omissions liability

**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 7 – Risk Management (continued)**

wrongful acts, \$1,000,000 for automobile liability, \$1,000,000 for employee benefit liability, \$250,000 for uninsured/under insured motorist liability, and \$10,000,000 in excess liability (except for crime coverage and cyber liability). Crime insurance for potential employee dishonesty is held in the amount of \$1,000,000.

Privacy and Security liability coverage is \$5,000,000 per occurrence with an annual aggregate of \$5,000,000. Coverage does contain some sub limits, which are included in aggregate for \$500,000 privacy response expense, \$250,000 for claims expense, regulatory proceedings, penalties, and \$250,000 for PCI-DSS assessments.

***Self-Insurance***

The County has a limited risk health insurance and prescription insurance program for employees. Premiums for the County plan are paid into the Self-Funded Health Insurance Internal Service Fund by other funds that are available to pay claims, claim reserves, and administrative costs. The County's Self-Funded Health Insurance Internal Service Fund makes monthly payments directly to the third-party administrator. Health is provided by United Health Care and drug is provided by OptumRX.

**Note 8 – Defined Benefit Pension Plan**

***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. While members (e.g. Commission employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 8 – Defined Benefit Pension Plan (continued)**

**Ohio Public Employees Retirement System (OPERS) (continued)**

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

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

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

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

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

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 8 – Defined Benefit Pension Plan (continued)**

**Ohio Public Employees Retirement System (OPERS) (continued)**

	State and Local
<b>FY 2018 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>FY 2018 Actual Contribution Rates</b>	
Employer (July 1, 2017 - December 31, 2017):	
Pension	13.0 %
Post-employment Health Care Benefits *****	1.0
Total Employer	14.0 %
 Employer (Effective January 1, 2018):	
Pension	14.0 %
Post-employment Health Care Benefits *****	0.0
Total Employer	14.0 %
 Employee	 10.0 %

\*\*\*\*\* This employer health care rate is for the traditional plan.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. For 2018, the Commission's contractually required contribution was \$24,543 for the traditional plan. For 2018, 94% has been contributed with the balance contributed in January 2019.

**Note 9 – Postemployment Benefits**

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. While members (e.g. Commission employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.



**Fairfield County Regional Planning Commission**  
*Fairfield County*

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

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**Note 9 – Postemployment Benefits (continued)**

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of the traditional pension plan.

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

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2018, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension 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.

**Note 10 – Other Employer Benefits**

The Commission also provides dental, vision, and Employee Assistance Program (EAP) for all eligible employees. Dental is provided by Delta Dental vision is provided by Vision Service Plan, and EAP is provided by United Behavioral Health.

The Commission provides life insurance and accidental death and dismemberment insurance to most employees through the Guardian Insurance Company.

**Fairfield County Regional Planning Commission**  
Fairfield County

*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 11 - Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Commission is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the general fund for fiscal year ending December 31, 2018 is presented as follows:

<b><i>Assigned to</i></b>	
Purchases on Order	\$ 1,668
Subsequent Year's Appropriations	1,180
<b><i>Total Assigned</i></b>	<b>2,848</b>
<b><i>Unassigned</i></b>	<b>221,236</b>
<b><i>Total Fund Balances</i></b>	<b>\$ 224,084</b>

**Note 12 - Other Commitments**

The Commission utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year ended December 31, 2018, the Commission's commitments for encumbrances in the governmental fund were as follows:

Fund	Encumbrances
General	\$ 1,668

**Note 13 - Related Party Transactions**

The Regional Planning Commission provided contributions to the County in the form of salaries and fringe benefits for administration and fair housing services associated with the Community Development Critical Infrastructure program. The cost of these contributions is \$1,117.

**Note 14 - Subsequent Events**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. In addition, the impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.



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

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

Fairfield County Regional Planning Commission  
Fairfield County  
210 East Main Street  
Lancaster, Ohio 43130

To the Executive Committee:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the cash balances, receipts, and disbursements by fund type of the Fairfield County Regional Planning Commission, Fairfield County, (the Commission) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 30, 2020, wherein we noted the Commission followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit and the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission.

***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State

Columbus, Ohio

April 30, 2020

# OHIO AUDITOR OF STATE KEITH FABER



**FAIRFIELD COUNTY REGIONAL PLANNING COMMISSION**

**FAIRFIELD COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JUNE 2, 2020**