



Dave Yost • Auditor of State

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
JUNE 30, 2016**

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**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY
JUNE 30, 2016**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio (the MVRPC), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the MVRPC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, Ohio, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2017, on our consideration of the MVRPC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MVRPC's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017

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**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

The discussion and analysis of the Miami Valley Regional Planning Commission's (MVRPC) financial performance provides an overall review of the MVRPC's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the MVRPC's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the MVRPC's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

Overall:

- Total net position increased \$10,346 for fiscal year (FY) 2016. The net position increase was affected by OPERS pension liability and pension expense changes.
- Total assets of governmental activities increased \$48,157.
- General revenues accounted for \$462,562 or 13.5 percent of total revenue. Program revenues in the form of operating grants were \$2.95 million.
- MVRPC's \$3.41 million in expenses were offset by program revenues of \$2.95 million, and membership dues of \$461,820. Membership dues were slightly less than FY2015.

Using the Basic Financial Statements

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

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

Reporting the MVRPC as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities answers the question "How did we do financially during 2016?" These statements include all assets, deferred outflow of resources, liabilities and deferred inflow of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

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

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

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

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

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

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

The Statement of Net Position and the Statement of Activities report the MVRPC's net position and changes in that position. This change in net position is important because it shows MVRPC's change in financial results for the year ended June 30, 2016.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

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

Table 1 provides a summary of the MVRPC's net position for Fiscal Years 2016 and 2015:

TABLE 1
Statement of Net Position

	2016	2015	Change
<i>ASSETS</i>			
Current Assets	\$3,794,443	\$3,728,776	\$65,667
Capital Assets Being Depreciated (net)	89,351	106,861	(17,510)
Total Assets	3,883,794	3,835,637	48,157
Deferred Outflows of Resources – Pension	577,992	200,665	377,327
<i>LIABILITIES</i>			
Current Liabilities	332,494	316,326	16,168
Net Pension Liability	2,070,198	1,688,013	382,185
Long Term Liabilities	173,729	171,620	2,109
Total Liabilities	2,576,421	2,175,959	400,462
Deferred Inflows of Resources - Pension	44,331	29,655	14,676
<i>NET POSITION</i>			
Net Investment in Capital Assets	89,351	106,861	(17,510)
Unrestricted	1,751,683	1,723,827	27,856
Total Net position	\$1,841,034	\$1,830,688	\$10,346

The amount by which the MVRPC's assets and deferred outflows exceeded its liabilities and deferred inflows is called net position. As of June 30, 2016, the MVRPC's net position was \$1.8 million. Total net position increased by \$10 thousand. MVRPC's liabilities increased by \$400 thousand, primarily due to increased net pension liability.

Of the total net position amount, approximately \$89 thousand was the investment in capital assets. The remaining balance of \$1.75 million was unrestricted and available for future use as directed by the MVRPC Board.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Table 2 shows the changes in net position for fiscal year 2016 compared to 2015.

TABLE 2
Statement of Activities – Change in Net Position

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues			
<u>Program Revenues:</u>			
Operating Grants	\$2,954,941	\$3,090,638	(\$135,697)
<u>General Revenues:</u>			
Membership Dues	461,820	467,270	(5,450)
Miscellaneous	742	2,397	(1,655)
Total Revenues	<u>3,417,503</u>	<u>3,560,305</u>	<u>(142,802)</u>
Program Expenses			
General Government	158,680	135,936	22,744
Transportation Planning	3,121,135	3,128,210	(7,075)
Environmental Planning	80,243	251,842	(171,599)
Regional Planning	47,099	35,843	11,256
Total Expenses	<u>3,407,157</u>	<u>3,551,831</u>	<u>(144,674)</u>
Increase in Net position	<u>\$10,346</u>	<u>\$ 8,474</u>	

Under GASB 68, pension expense represents proportionate share of each plan's change in net pension liability, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements include a pension expense adjustment of \$(26,891) and the 2016 statements include a pension expense adjustment of \$19,535.

Total operating grants revenue decreased by \$136 thousand from 2015 primarily due to higher one-time 2015 transportation and environmental planning revenues.

MVRPC is extremely dependent upon intergovernmental revenues (federal grants) provided by the federal government through the State of Ohio; approximately 86 percent of the MVRPC's total revenue was received from intergovernmental sources during FY2016. MVRPC has been able to maintain a stable financial position through careful management of expenses. However, MVRPC is vulnerable to changes in federal and state grant programs.

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

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Reporting the MVRPC's Most Significant Funds

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

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

The General Fund had total revenue of \$0.6 million plus other financing sources of \$1.7 million. Expenditures totaled \$2.3 million. General fund balance increased by \$56 thousand in 2016 to \$3.5 million.

The Special Revenue Grant Fund provides the detail of all federal grants received by MVRPC. The Special Revenue Fund had total revenues of \$2.8 million. This was intergovernmental revenues from federal grants, primarily from the U. S. Department of Transportation. The use of these funds had local net matching requirements of \$291 thousand. This was provided by the General Fund as operating transfers-in.

General Fund Budgeting Highlights

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

During the course of fiscal year 2016, the MVRPC amended its budget. The primary budget variance was unspent contract expenses and resulting revenue that will carryover to the next year.

Capital Assets

At the end of fiscal year 2016, the MVRPC had \$89,351 net invested in furniture, equipment, and leasehold improvements in governmental activities. Capital asset decrease is primarily due to disposal of various surplus assets and depreciation expense for the year exceeding capital asset additions for the year.

**Miami Valley Regional Planning Commission
Montgomery County**

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
(Unaudited)

Table 3 shows fiscal year 2016 capital assets balances compared to 2015:

TABLE 3
Capital Assets at June 30

	2016	2015
Furniture	\$ 77,528	\$ 77,389
Equipment	144,558	281,449
Leasehold Improvements	35,425	35,425
Less: Accumulated Depreciation	(168,160)	(287,402)
	\$ 89,351	\$ 106,861

Overall net capital assets decreased approximately \$17 thousand from fiscal year 2015.

For the Future

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

During 2012 the President signed the Transportation Reauthorization Act entitled "Moving Ahead for Progress in the 21st Century" (MAP-21).

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

Contacting the MVRPC's Financial Management

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

**Miami Valley Regional Planning Commission
Montgomery County**

**Statement of Net Position
June 30, 2016**

ASSETS	
Cash	\$3,372,443
Accounts Receivable	23,984
Grants Receivable	385,581
Prepaid Expenses	12,435
Capital Assets Being Depreciated (net)	89,351
	3,883,794
Deferred Outflow of Resources - Pension	577,992
 LIABILITIES	
Accounts Payable	90,875
Accrued Personnel Costs	90,350
Unearned Revenues	111,004
Short and Long Term Liabilities	
Due within one year	40,265
Due in more than one year:	
Net pension liability	2,070,198
Other amounts due in more than one year	173,729
	2,576,421
Deferred Inflow of Resources - Pension	44,331
 NET POSITION	
Net investment in Capital Assets	89,351
Unrestricted	1,751,683
	\$1,841,034

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Statement of Activities
For the Fiscal Year Ended June 30, 2016**

<u>Governmental Activities</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants</u>	<u>Net (Expenses) Revenues and Change in Net Position Governmental Activities</u>
General Government	\$158,680	\$25,067	(\$133,613)
Transportation Planning	3,121,135	2,850,155	(270,980)
Environmental Planning	80,243	79,719	(524)
Regional Planning	<u>47,099</u>	<u>0</u>	<u>(47,099)</u>
Total Governmental Activities	<u><u>3,407,157</u></u>	<u><u>2,954,941</u></u>	<u><u>(452,216)</u></u>
 General Revenues:			
Membership Dues			461,820
Miscellaneous			<u>742</u>
Total General Revenues			462,562
Changes in Net Position			10,346
Net Position, July 1, 2015			<u>1,830,688</u>
Net Position, June 30, 2016			<u><u>\$1,841,034</u></u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
Balance Sheet - Governmental Funds
As of June 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Grant Fund</u>	<u>Total Governmental Funds</u>
ASSETS and OTHER DEBITS			
Cash	\$3,364,079	\$8,364	\$3,372,443
Accounts Receivable	23,984		23,984
Grants Receivable		385,581	385,581
Due From Special Revenue Grant Fund	385,581		385,581
Prepaid Expenses	<u>12,435</u>		<u>12,435</u>
Total Assets and Other Debits	<u><u>3,786,079</u></u>	<u><u>393,945</u></u>	<u><u>4,180,024</u></u>
 LIABILITIES			
Accounts Payable	90,875		90,875
Accrued Wages & Benefits	90,350		90,350
Due to General Fund		385,581	385,581
Unearned Revenues	<u>102,640</u>	<u>8,364</u>	<u>111,004</u>
Total Liabilities	<u><u>283,865</u></u>	<u><u>393,945</u></u>	<u><u>677,810</u></u>
 FUND BALANCE			
Non Spendable	12,435		12,435
Assigned for Future Year's Operation - Members Dues	230,910		230,910
Unassigned	<u>3,258,869</u>		<u>3,258,869</u>
Total Fund Balance	<u><u>3,502,214</u></u>	<u><u>0</u></u>	<u><u>3,502,214</u></u>
 Total Liabilities and Fund Balance	 <u><u>\$3,786,079</u></u>	 <u><u>\$393,945</u></u>	 <u><u>\$4,180,024</u></u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES**

June 30, 2016

Total Governmental Fund Balances	\$3,502,214
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Amounts reported for governmental activities in the statement of net position are different because:

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	89,351
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The following liabilities are not due and payable in the current period and therefore are not reported in the Governmental funds:

Compensated absences	(213,994)
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Net Pension Liability:

The new pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Liability	(2,070,198)
Deferred Outflows of Resources	577,992
Deferred Inflows of Resources	(44,331)

Net Position of Governmental Activities	\$1,841,034
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See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County**

**Statement of Revenues, Expenditures and
Changes in Fund Balances - Governmental Funds**

For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Grant Fund	Total Governmental Funds
Revenues:			
Grantor Agency	\$126,686	\$2,645,931	\$2,772,617
Other	25,809	157,257	183,066
Membership Dues	461,820		461,820
Total Revenues	614,315	2,803,188	3,417,503
Expenditures:			
Personnel	1,471,140	1,727,782	3,198,922
Contractual	144,869	105,157	250,026
Other	284,366	482,486	766,852
Indirect Costs	58,556	778,729	837,285
Capital Outlays	8,209		8,209
Total Expenditures	1,967,140	3,094,154	5,061,294
Excess of Expenditures Over Revenues	(1,352,825)	(290,966)	(1,643,791)
Other Financing Sources (Uses):			
Transfers-In		290,966	290,966
Transfers-Out	(290,966)		(290,966)
Cost Allocation Plan Recoveries	1,700,320		1,700,320
Total Other Financing Sources	1,409,354	290,966	1,700,320
Change in Fund Balances	56,529		56,529
Fund Balance, July 1, 2015	3,445,685		3,445,685
Fund Balance, June 30, 2016	<u>\$3,502,214</u>	<u>\$0</u>	<u>\$3,502,214</u>

See Accompanying Notes to the Basic Financial Statements.

**Miami Valley Regional Planning Commission
Montgomery County**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016**

Change in fund balances - total governmental funds	\$56,529
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(17,187)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.	
Loss on the disposal of Capital Assets	(323)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Increase in Compensated Absences	(9,138)
Except for amounts reported as deferred inflows / outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.	(19,535)
Changes in net position of total governmental activities	<u><u>\$10,346</u></u>

See Accompanying Notes to the Basic Financial Statements.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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

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

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

Board of Directors

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

Executive Committee

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Cities and villages appoint 7 members, one of which is the largest city; one member is chosen from each of the MPO counties; and no more than 4 members may be chosen from any one county. These members are chosen annually by caucus of member cities and villages.
- Townships appoint 3 members from counties located within the MPO boundary. No more than one member from the same county may be chosen. These members are selected annually by caucus of member townships
- Non-governmental members appoint 3 members, also chosen annually by caucus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

Fund Accounting

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

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

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

MVRPC has no other funds within the Organization.

Measurement Focus

Government-Wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and in the presentation of expenses versus expenditures. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For MVRPC, available means expected to be received within ninety days of fiscal year end. Nonexchange transactions, in which MVRPC receives value without directly giving equal value in return, include grants, entitlements,

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which MVRPC must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to MVRPC on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Property, Plant and Equipment

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

Compensated Absences

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

Revenues

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

Member Type

Within the MPO planning	
Counties - 25% of total population	\$0.46/ capita
Municipalities and Townships	\$0.46/ capita
Outside the MPO planning area	
Counties - 25% of total population	\$0.25/ capita

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Quasi and Non-governmental bodies \$1,000 annual

The total revenue generated from member fees was \$461,820.

Special Revenue Grant Fund

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

Carry-over Grants and Contracts

Several grants continued after June 30, 2016. The amounts available for completing grant objectives for these grant programs are summarized below by funding type. MVRPC's required match for these carry over funds is approximately \$64,302.

<u>Type</u>	<u>Amount</u>
Federal Grants	\$ 1,170,668
Other Grants and Contracts	112,846

Indirect Costs

MVRPC uses an indirect cost rate to recover administrative expenditures. The FY2016 indirect costs were billed at a provisional, of 50.5% of direct labor dollars, including fringe benefits. Also, as discussed in note 4, fringe benefit expenditures are recovered by applying a provisional rate to all programs.

Fund Balances

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

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

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Budgets

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

Estimates

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

Pensions

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

3. LEASE COMMITMENTS

MVRPC entered into a operating lease agreement for office space through December 31, 2024 and office equipment leases. The future minimum lease commitments as of June 30, 2016 are as follows:

<u>Fiscal Year Ended</u>	<u>Office Space</u>	<u>Equipment</u>
2017	\$172,500	\$7,245
2018	172,500	6,051
2019	172,500	3,127

Total rental expense for all equipment and office for the year ended June 30, 2016 was \$179,745.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)**

4. COST ALLOCATION PLAN

A cost allocation plan is prepared annually by MVRPC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the provisions of Office of Management and Budget (OMB) Circular A-87/ 2CFR Part 200 and the U.S. Department of Health and Human Services' Circular OASC-10 and OMB Uniform Guidance. The plan is submitted to the over-site grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let MVRPC adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval. If the actual rates are less than the adjusted provisional rates, MVRPC must refund any over-billed amounts to the various grantor agencies. Conversely, MVRPC may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit and indirect cost for FY2016.

Fringe Benefits

Fringe benefit costs are recorded in the general fund and allocated to the Special Grant revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2016 fringe benefit costs were allocated at a provisional rate of 56.0% of productive direct and indirect labor dollars. The actual fringe benefit cost rate was 59.243%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the Special Grant revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2016 indirect costs were allocated at a provisional rate of 50.5% of direct labor dollars, including fringe benefits. The actual indirect cost rate was 45.071%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

5. CONTINGENCIES

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

6. INTERFUND ACTIVITY

As of June 30, 2016 there was an Interfund Receivable of \$385,581 in the General Fund and an Interfund Payable of \$385,581 in the Special Grant Revenue Fund. The due to represents amounts for grants receivable at June 30, 2016 from various Federal and State grants.

During the year ended June 30, 2016 the General Fund transferred \$290,966 to the Special Revenue Grant Fund to provide local matching funds associated with federal grant programs.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

7. CASH AND INVESTMENTS

Pooled Cash

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

8. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – MVRPC’s employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. MVRPC employees) may elect the member-directed plan and the combined plan, 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 were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

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

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

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

	State and Local
2016 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
 2016 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0
Total Employer	14.0 %
 Employee	 10.0 %

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

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The MVRPC's contractually required contribution was \$212,400 for 2016.

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

The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The MVRPC's proportion of the net pension liability was based on the MVRPC's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	\$ 2,070,198
Proportion of the Net Pension liability	0.011952%
Pension Expense	\$19,535

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

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

	OPERS
Deferred Outflows of Resources	
Net Difference between Projected and actual earnings on pension plan investments	\$608,509
Change in Beginning balances	
Proportionate Share	(155,518)
MVRPC contributions subsequent to the measurement date	125,001
Total Deferred Outflows of Resources	577,992
Deferred Inflows of Resources	
Net Differences between expected and actual experience	40,000
Change in Beginning balance proportionate share	4,331
Total Deferred Inflows of Resources	\$44,331

\$125,001 reported as deferred outflows of resources related to pension resulting from MVRPC contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Fiscal Year Ending June 30:	
2017	\$59,332
2018	69,061
2019	142,560
2020	137,707
Total	\$408,660

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2015, are presented below:

Actuarial Information	Traditional Pension Plan
Experience Study	5 Year Period Ended December 31, 2010
Actuarial Assumptions	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	3.00% Simple

For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit Portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 and 0.4% percent for 2014 and 2015 respectively.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2015:

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or higher than the current rate.

Employers' Net Pension Liability/(Asset)	1% Decrease 7.0%	Current Discount Rate 8.0%	1% Increase 9.0%
Traditional Pension Plan	\$3,298,332	\$2,070,198	\$1,034,307

9. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

9 OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide the OPEB Plan to its eligible members and beneficiaries. Authority to establish and amend the OPEB Plan is provided in Chapter 145 of the Ohio Revised Code.

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

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2015 and 2016, state and local employers contributed at a rate of 14.00% of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan and Combined Plan was 2.0% during calendar year 2015. Effective January 1, 2016, the portion of employer contributions allocated to health care remains at 2.0% for both plans, as recommended by OPERS' actuary. The OPERS Board of Trustees 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.

- C. The MVRPC's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2016, 2015, and 2014, were \$35,400, \$33,878, and \$24,781 respectively.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

9 OTHER POST-EMPLOYMENT BENEFITS (Continued)

D. OPERS Board of Trustees Adopt Changes to the Health Care Plan

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

10. CAPITAL ASSETS

	Balances at 06/30/2015	Additions	Deletions	Balances at 06/30/2016
<u>Capital Assets</u>				
Furniture and Fixture	\$77,389	\$766	(\$627)	\$77,528
Equipment	281,449	7,443	(144,334)	144,558
Leasehold Improvements	35,425			35,425
Total Capital Assets	<u>394,263</u>	<u>8,209</u>	<u>(144,961)</u>	<u>257,511</u>
<u>Accumulated Depreciation</u>				
Furniture and Fixture	50,275	4,321	(627)	53,969
Equipment	234,969	17,532	(144,011)	108,490
Leasehold Improvements	2,158	3,543		5,701
Total Accumulated Depreciation	<u>287,402</u>	<u>25,396</u>	<u>(144,638)</u>	<u>168,160</u>
 Total Capital Assets, Net	 <u>\$106,861</u>	 <u>(\$17,187)</u>	 <u>(\$323)</u>	 <u>\$89,351</u>

11. SHORT and LONG TERM OBLIGATIONS

The following is a summary of long-term obligations for the year ended June 30, 2016

	Outstanding 06/30/2015	Increases	Decreases	Outstanding 06/30/2016	Amount Due Within One Year
Compensated Absences	\$204,856	\$251,193	(\$242,055)	\$213,994	\$40,265
Net Pension Liability	1,688,013	809,323	(427,138)	2,070,198	
Total Long Term Obligations	<u>\$1,892,869</u>	<u>\$1,060,516</u>	<u>(\$669,193)</u>	<u>\$2,284,192</u>	<u>\$40,265</u>

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

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016
(Continued)**

12 PROPERTY AND INSURANCE

The Commission is exposed to various risk of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2016, the Commission contracted with The Hartford Insurance Company, Travelers and Old Republic Insurance Company for the following insurance coverage:

Business personal property	\$ 569,400
Computer equipment	200,000
Comprehensive general liability	4,000,000
Valuable papers	200,000
Business auto coverage	2,000,000
Public officials & employee liability	1,000,000

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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Agency's Proportion of the Net Pension Liability	0.011952%	0.013995%	0.013995%
Agency's Proportionate Share of the Net Pension Liability	\$ 2,070,198	\$1,688,013	\$1,649,887
Agency's Covered-Employee Payroll	1,693,908	\$1,649,657	\$1,627,336
Agency's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	122.2%	102.3%	101.4%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available.

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

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

	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
Contractually Required Contribution	\$212,400	\$203,269	\$203,046	\$173,616
Contributions in Relation to the Contractually Required Contribution	212,400	203,269	203,046	173,616
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Agency Covered-Employee Payroll	\$1,770,000	\$1,693,908	\$1,649,657	\$1,627,336
Contributions as Percentage of Covered-Employee Payroll	12%	12%	12%	12%

See Accompanying Notes to the Basic Financial Statements.

(1) Information prior to 2013 is not available.

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

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

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual General Fund	Variance Positive (Negative)
Revenues:				
Grantor Agency	\$240,472	\$244,190	\$126,686	(\$117,504)
Other	56,827	56,827	25,809	(31,018)
Membership Dues	465,595	461,570	461,820	250
Total Revenues	<u>762,894</u>	<u>762,587</u>	<u>614,315</u>	<u>(148,272)</u>
Expenditures:				
Personnel	1,257,658	1,274,610	1,471,140	(196,530)
Contractual	346,667	363,455	144,869	218,586
Other	412,981	417,425	284,366	133,059
Indirect Costs	61,090	57,485	58,556	(1,071)
Capital Outlays	18,500	26,284	8,209	18,075
Total Expenditures	<u>2,096,896</u>	<u>2,139,259</u>	<u>1,967,140</u>	<u>172,119</u>
Excess of Expenditures Over Revenues	<u>(1,334,002)</u>	<u>(1,376,672)</u>	<u>(1,352,825)</u>	<u>23,847</u>
Other Financing Sources (Uses):				
Transfers-Out	(343,464)	(364,151)	(290,966)	73,185
Cost Allocation Plan Recoveries	1,649,236	1,681,109	1,700,320	19,211
Total Other Financing Sources	<u>1,305,772</u>	<u>1,316,958</u>	<u>1,409,354</u>	<u>92,396</u>
Change in Fund Balances	(28,230)	(59,714)	56,529	116,243
Fund Balance, July 1, 2015	<u>3,445,685</u>	<u>3,445,685</u>	<u>3,445,685</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$3,417,455</u></u>	<u><u>\$3,385,971</u></u>	<u><u>\$3,502,214</u></u>	<u><u>\$116,243</u></u>

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

For the Fiscal Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Special Revenue Grant Fund	Variance Positive (Negative)
Revenues:				
Grantor Agency	\$3,118,007	\$3,299,845	\$2,645,931	(\$653,914)
Other	200,764	222,314	157,257	(65,057)
Total Revenues	3,318,771	3,522,159	2,803,188	(718,971)
Expenditures:				
Personnel	1,838,185	1,879,249	1,727,782	151,467
Contractual	106,010	142,893	105,157	37,736
Other	767,505	892,898	482,486	410,412
Indirect Costs	928,285	949,020	778,729	170,291
Capital Outlays	22,250	22,250	0	22,250
Total Expenditures	3,662,235	3,886,310	3,094,154	792,156
 Excess of Expenditures Over Revenues	 (343,464)	 (364,151)	 (290,966)	 73,185
Other Financing Sources (Uses):				
Transfers-In	343,464	364,151	290,966	(73,185)
Total Other Financing Sources	343,464	364,151	290,966	(73,185)
 Change in Fund Balances	 0	 0	 0	 0
Fund Balance, July 1, 2015	0	0	0	0
Fund Balance, June 30, 2016	\$0	\$0	\$0	\$0

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

June 30, 2016

Capital Assets	
Furniture and Fixtures	\$77,528
Equipment	144,558
Leasehold Improvements	<u>35,425</u>
Total Capital Assets	257,511
Less: Accumulated Depreciation	<u>(168,160)</u>
Total Capital Assets, net	<u><u>89,351</u></u>
Investment in Capital Assets	
General Fund	189,913
Special Revenue Funds	<u>67,598</u>
Total Investment in Capital Assets	257,511
Less: Accumulated Depreciation	<u>(168,160)</u>
Total Investment in Capital Assets, net	<u>89,351</u>
Less lease liability	<u>0</u>
Total Investments in Capital Assets, net of liability	<u><u>\$89,351</u></u>

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

For the Fiscal Year Ended June 30, 2016

	Balances at <u>7/1/15</u>	<u>Additions</u>	<u>Deletions</u>	Balances at <u>6/30/16</u>
<u>Capital Assets</u>				
Furniture and Fixtures	\$ 77,389	766	(627)	\$ 77,528
Equipment	281,449	7,443	(144,334)	144,558
Leasehold Improvements	<u>35,425</u>	<u>-</u>	<u>-</u>	<u>35,425</u>
Total Capital Assets	<u>\$ 394,263</u>	<u>\$ 8,209</u>	<u>(144,961)</u>	<u>\$ 257,511</u>
<u>Accumulated Depreciation</u>				
Furniture and Fixtures	50,275	4,321	(627)	\$ 53,969
Equipment	234,969	17,532	\$ (144,011)	108,490
Leasehold Improvements	<u>2,158</u>	<u>3,543</u>	<u>-</u>	<u>5,701</u>
Total Accumulated Depreciation	<u>287,402</u>	<u>25,396</u>	<u>(144,638)</u>	<u>168,160</u>
Total Capital Assets, net	<u><u>\$ 106,861</u></u>	<u><u>(\$ 17,187)</u></u>	<u><u>(323)</u></u>	<u><u>\$ 89,351</u></u>

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

For the Fiscal Year Ended June 30, 2016

Fringe Benefit Cost Pool Charges:

Public Employees Retirement System Contributions	\$247,800
Health Insurance Premiums	229,310
Life Insurance Premiums	1,305
Workers' Compensation Premiums	13,830
Unemployment Insurance	1,197
F.I.C.A. (Medicare) Expenses	24,659
Sick Leave Pay	87,761
Holiday Pay	72,747
Vacation, Personal and Other Leave	157,245
Housing Allowance	
Waived Health Premiums	4,320
Health administration	0
Employee parking	22,857
Total Fringe Benefit Cost Pool Charges	863,031

Fringe Benefit Cost Rate Base:

Salaries	1,456,769
----------	-----------

Final Fringe Benefit Cost Rate Computation:

Total Fringe Benefit Cost Pool Charges	863,031
Divided By: Total Fringe Benefit Cost Rate Base	1,456,769
Equals - Final Fringe Benefit Cost Rate	1

Current Year's Cost Recovery Comparison:

Fringe Benefit Costs Recovered @ provisional rate of 55.99%	815,645
Fringe Benefits Over Recovered using Provisional Rate	(47,386)
Fringe Benefit Costs Recovered @ final rate of 59.243%	863,034
Total Fringe Benefit Cost Pool Charges	863,031
Final Over (Under) Recovered Costs	\$3

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

For the Fiscal Year Ended June 30, 2016

Indirect Cost Pool Charges:

Salaries	\$290,186
Allocated Fringe Benefits (57.832%)	171,914
Contractual Services	70,297
Communication and Supplies	14,832
Rents and Rentals	173,583
Utilities and phone	13,798
Travel	672
Maintenance and Repairs	2,948
Hardware / software agreements	60,528
Allowance for Depreciation	25,396
Audit / legal	13,137
Total Indirect Costs	837,291

Indirect Cost Rate Base:

Direct Salaries	1,166,583
Allocated Fringe Benefits 59.243%	691,119
Total Indirect Cost Rate Base	1,857,702

Final Indirect Cost Rate Computation:

Total Indirect Cost Pool Charges	837,291
Divided By: Total Indirect Cost Rate Base	1,857,702
Equals - Final Indirect Cost Rate	0

Current Year's Cost Recovery Comparison:

Indirect Cost Recovered @ Provisional Rates 50.5%	
Direct Salaries	1,166,583
Direct FB @ provisional rate 55.99%	653,170
Provision rate base	1,819,753
Recovery using Provision rate base	918,975
Over (Under) recovered @ provisional basis	81,684

Indirect Cost Recovered @ Provisional Rates 56.4%	
Direct Salaries	1,166,583
Direct FB @ actual rate 59.243%	691,119
Provision rate base	1,857,702
Recovery using actual rate base @ 45.071%	837,285
Over (Under) recovered @ actual basis	(\$6)

Miami Valley Regional Planning Commission
Montgomery County
Schedule of Costs for Federal Highway Administration, Ohio Department of Transportation, and Ohio EPA by Work Element
Fiscal Year Ended June 30, 2016

Work Element	Project Description	Personnel	Fringe Benefits	Contractual	Other	Indirect costs	Total
601	Fed & St Legislation Regs	\$7,169	\$4,247			\$5,146	\$16,562
	Transit & HS Trans FY15	1,262	748			906	2,916
	Air Quality/Access Ctrl FY16	7,033	4,167			5,048	16,248
	Transit & HS Trans FY16	18,688	11,072		118	13,413	43,291
	601 Total	34,152	20,234	0	118	24,513	79,017
602	TIP SFY 12-15 & Admndments	30,126	17,848		44	21,622	69,640
	TIP SFY 16-19 & Admndments	18,393	10,896		98	13,201	42,588
	TIP Project Management FY16	87,156	51,634	7,277	663	62,554	209,284
	602 Total	135,675	80,378	7,277	805	97,377	321,512
605	Transportation Database FY15	28,299	16,765		269	20,311	65,644
	GIS Support FY15	50,763	30,073		824	36,434	118,094
	Transportation Database FY16	53,088	31,451		2,708	38,103	125,350
	Planning Support FY16	59,782	35,417		1,714	42,907	139,820
	Regional GIS FY16	51,440	30,475		36	36,920	118,871
	605 Total	243,372	144,181	0	5,551	174,675	567,779
610	LRP Update FY15	39,394	23,338		1,397	28,274	92,403
	LRP Suppl Research FY15	47,675	28,244		2,083	34,218	112,220
	Safety Study FY16	2,290	1,357		37	1,644	5,328
	LRP Update FY16	97,254	57,616	575	10,534	69,802	235,781
	Regional Planning FY16	15,411	9,130		751	11,061	36,353
	Landuse STP FY16	114,133	67,616			81,916	263,665
	610 Total	316,157	187,301	575	14,802	226,915	745,750
625	Public Involv. & MR FY15	13,775	8,160	1,365	12,042	9,886	45,228
	Public Involv & MR FY16	32,554	19,286	1,600	7,730	23,365	84,535
	625 Total	46,329	27,446	2,965	19,772	33,251	129,763
665.11	Senior Trans Serv Mot Co FY16			26,680			26,680
665.2	Reg. Trans Plan Pilot FY16	1,793	1,062	5,480	117	1,287	9,739
	665 Total	1,793	1,062	32,160	117	1,287	36,419
667.1	WPAFB Project Support				747		747
	Van Pool - Fy2012	518	307	24,500		372	25,697
	Rideshare FY16	48,881	28,959	34,833	246,509	35,083	394,265
667.2	Enhanced AQ Forecasting			16,400			16,400
	AQ Awareness Prog FY16	36,832	21,821	57	171,352	26,436	256,498
667.3	Alternative Trans. FY16	36,538	21,646	11,770	9,620	26,224	105,798
	Reg. Alt Trans Planning FY16	83,297	49,348	1,300	11,611	59,784	205,340
	667 Total	206,066	122,081	88,860	439,839	147,899	1,004,745
674.12	Public Trans - FTA 5310 FY15	3,948	2,339			2,834	9,121
	Public Trans - FTA 5310 FY16	19,003	11,258		370	13,639	44,270
	674 Total	22,951	13,597	0	370	16,473	53,391
695	Trans Prog Admin FY15	20,007	11,853		338	14,360	46,558
	Trans Prog Admin FY16	58,062	34,398		1,520	41,673	135,653
	695 Total	78,069	46,251	0	1,858	56,033	182,211
901	Regional Bike Central Web Site			547			547
	901 Total	0	0	547	0	0	547
OEPA	Ohio WQ FPA FY2014	3,930	2,328			2,821	9,079
	WQ 604(b) Federal FY16	430	255			309	994
	Ohio WQ FPA FY2015	28,515	16,893	300	2,128	20,466	68,302
	OEPA Total	32,875	19,476	300	2,128	23,596	78,375
Grand Totals		\$1,117,439	\$662,007	\$132,684	\$485,360	\$802,019	\$3,199,509

**Miami Valley Regional Planning Commission
Montgomery County
Officers and Executive Committee
as of June 30, 2016**

MVRPC Officers:

<u>Name</u>	<u>Organization</u>	<u>Title</u>
Carol Graff, Chair	Beavercreek Twp.	Trustee
John O'Brien, Vice-Chair	Miami County	Commissioner
John Beals, Second Vice-Chair	Centerville	Council Member

Executive Committee Members:

<u>Name</u>	<u>Organization</u>	<u>Title</u>
Deborah Wallace	Beavercreek	Council Member
Jerome Hirt, Sr.	Bethel Twp.	Trustee
Matt Joseph	Dayton	Commissioner
Dan Kirkpatrick	Fairborn	Mayor
Bob Glaser	Greene County	Commissioner
Woodrow Stroud	Greene County Transit Board	Board Member
Mary Johnson	Jefferson Twp.	Trustee
Donald Patterson, Jr.	Kettering	Mayor
Janet Bly	Miami Conservancy District	General Manager
Chris Mucher	Miami Twp.- GRE	Trustee
Judy Dodge	Montgomery County	Commissioner
William Vogt	Piqua	City Commissioner
Chrisopher Day	Preble County	Commissioner
Michael Beamish	Troy	Mayor
Arthur Haddad	Troy Chamber of Commerce	Chairman
John Bruns	Union	Council Member

**Miami Valley Regional Planning Commission
Montgomery County
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016**

Pass-Through Grantor/ Program Title	Grant Number or Description	Federal CFDA Number	Pass Through Entity Identifying Number	Expenditures
U. S. Environmental Protection Agency				
Pass-Through , Ohio Environmental Protection Agency				
Water Quality Management Planning	604(b) Water Quality Planning Facility Planning Area	66.454	MVRPC-FD60414	\$993
Total U. S. Environmental Protection Agency				993
U. S. Department of Transportation				
Pass-Through , Ohio Department of Transportation				
Highway Planning and Construction				
	Alternative Trans & Air Qlt Awareness	20.205	91255	378,697
	Consolidated Planning FY 2015	20.205	97401	442,163
	Consolidated Planning FY 2016	20.205	99476	800,303
	Landuse Transp. Plans	20.205	91254	210,933
	Rideshare	20.205	91263	394,265
	Van Pool	20.205	91264	25,698
	Supplemental Planning	20.205	88356	331,699
	Regional Transportation Planning Pilot	20.205	99720	7,791
Total Highway Planning and Construction				2,591,549
Direct Funding				
Enhanced Mobility of Seniors and Individuals with Disabilities	Public Transit Human Services Trans. Plan	20.513	N/A	53,389
Total Enhanced Mobility of Seniors and Individuals with Disabilities				53,389
Total U.S. Department of Transportation				2,644,938
Total Expenditures of Federal Awards				<u>\$2,645,931</u>

The accompanying notes are an integral part of this schedule.

Note: This Schedule of Expenditures of Federal Awards was prepared using the accrual basis method of accounting.

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Miami Valley Regional Planning Commission (the MVRPC's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the MVRPC, it is not intended to and does not present the financial position or changes in net position of the MVRPC.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The MVRPC has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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



Dave Yost • Auditor of State

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

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

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Miami Valley Regional Planning Commission, Montgomery County, (the MVRPC) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the MVRPC's basic financial statements and have issued our report thereon dated March 7, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017



Dave Yost • Auditor of State

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

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

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the Miami Valley Regional Planning Commission's (the MVRPC) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Miami Valley Regional Planning Commission's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the MVRPC's major federal program.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the Miami Valley Regional Planning Commission complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

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Report on Internal Control Over Compliance

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

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

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

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



Dave Yost
Auditor of State
Columbus, Ohio

March 7, 2017

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**MIAMI VALLEY REGIONAL PLANNING COMMISSION
MONTGOMERY COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2016**

Finding Number	Finding Summary	Status	Additional Information
2015-001	Material Weakness – Financial Statement Misstatements	Partially Corrected	Comment repeated as management letter comment.



Dave Yost • Auditor of State

MIAMI VALLEY REGIONAL PLANNING COMMISSION

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 23, 2017**