

**THE REGIONAL PLANNING COMMISSION
OF GREATER BIRMINGHAM**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2016 AND 2015**

TABLE OF CONTENTS

	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1 - 4
INDEPENDENT AUDITOR'S REPORT	5 - 6
BASIC FINANCIAL STATEMENTS	
Government - wide financial statements:	
Statements of Net Position as of September 30, 2016 and 2015	7
Statement of Activities for the year ended September 30, 2016	8
Statement of Activities for the year ended September 30, 2015	9
Fund financial statements:	
Balance sheet - Governmental Funds as of September 30, 2016	10
Balance sheet - Governmental Funds as of September 30, 2015	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds for the year ended September 30, 2016	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds for the year ended September 30, 2015	13
Statement of Fiduciary Net Position - Fiduciary Funds as of September 30, 2016	14
Statement of Fiduciary Net Position - Fiduciary Funds as of September 30, 2015	15
Statement of Changes in Fiduciary Net Position - Fiduciary Funds Similar Component Units for the year ended September 30, 2016	16
Statement of Changes in Fiduciary Net Position - Fiduciary Funds and Similar Component Units for the year ended September 30, 2015	17
Notes to Financial Statements	18 - 35

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
SUPPLEMENTAL INFORMATION	
Schedule of Expenditures of Federal Awards	36
Note to the Schedule of Expenditures of Federal Awards.....	37
INFORMATION REQUIRED BY THE OMB'S UNIFORM GUIDANCE AND GOVERNMENT AUDITING STANDARDS FOR THE YEAR ENDED SEPTEMBER 30, 2016	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>	38 – 39
Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance <i>required by the OMB's Uniform Guidance</i>	40 - 41
Schedule of Findings and Questioned Costs.....	42
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions.....	43
Schedule of Changes in the Net Pension Liability.....	44

MANAGEMENT'S DISCUSSION AND ANALYSIS

The first major requirement of GASB Statement 34 (Governmental Accounting Standards Board) is the Management Discussion and Analysis (MD&A). The purpose of an MD&A is a discussion, in laymen's terms, of current year results in comparison to the prior year.

The discussion and analysis of the Regional Planning Commission of Greater Birmingham's (the Commission) financial performance is for the Commission's financial activities for the fiscal years ending September 30, 2015 and 2016.

The Commission's financial condition has continued to improve between FY 2015 and FY 2016; the subsequent narrative explains the causes for the financial condition of the Commission.

FINANCIAL HIGHLIGHTS

The Commission's total net assets increased by \$216,545 from FY 2015 to FY 2016, from a balance of \$9,250 in FY 2015 to \$225,795 in FY 2016. Total program and general revenues decreased from \$13,469,805 in FY 2015 to \$12,440,974 in FY 2016, a decrease of \$1,028,831 or 7.6%, while total program and general expenses decreased \$865,274 from \$13,089,703 in FY 2015 to \$12,224,429 in FY 2016 or 6.6%.

USING THE ANNUAL FINANCIAL STATEMENT

The Annual Financial Statement consists of a series of financial statements. The Statements of Net Position and the Statement of Activities (pages 7-9) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

The Fund financial statements (pages 10-13) explain how these services were financed in the short term as well as what remains for future spending in FY 2015. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

Fiduciary fund financial statements (pages 14-17) include assets the Commission holds in a trustee capacity and cannot be used to finance the entity's operations.

Reporting the Commission as a Whole

The analysis of the Commission as a whole begins on page 2. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net assets and changes. The Commission's net assets, the difference between assets and liabilities, can be thought of as one way to measure financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Reporting the Commission as a Whole (Continued)

Other non-financial factors need to be considered, such as changes in the Commission's amount of intergovernmental transfers, to assess the overall health of the Commission.

In the Statements of Net Position and the Statement of Activities, the Commission's Governmental activities are reported, including general administration, transportation planning, traffic safety programs, environmental management and planning, and other community planning programs.

Reporting the Commission's Most Significant Funds

The fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the Commission as a whole. Some funds are required to be established by state law and by other federal regulation(s). The Commission's Board has also established other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for use of certain grant funds.

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

THE COMMISSION AS A WHOLE

The analysis in this section focuses on the net assets and changes in net assets, as reflected in the following condensed statements of the Commission's activities, which are all presented as governmental.

The Commission's combined net assets increased by \$216,545 during FY 2016. However, the components of net assets showed differing amounts of increases and decreases. Net assets invested in capital assets, net of related debt, increased \$13,109. This increase resulted from acquisitions totaling \$77,714 netted against approximately \$64,605 of current depreciation expense.

The Commission's total revenues decreased from approximately \$13,469,805 in FY 2015 to \$12,440,974 in FY 2016, a decrease of \$1,028,831 or 7.6%, while total program expenses decreased \$865,364 from \$13,089,793 FY 2015 to \$12,224,429 FY 2016. However, individual revenue and expense components both increased and decreased by various amounts. The primary reason for the decrease in total revenues was due to a year over year decrease in the Transportation program, primarily due to the new Bike Share grant.

RETIREMENT PLAN

The Employment Retirement System of Alabama (the Plan), under GASB requirements, is a component unit of the State of Alabama. The pension liability of \$2,083,158 and \$1,938,777 for the years ended September 30, 2016 and 2015 represents the Commission's share of the Plan's net pension liability.

THE COMMISSION'S FUNDS

Total governmental funds have a positive fund balance of \$1,896,914 for the year ended September 30, 2016 compared to \$1,772,037 as of September 30, 2015, or a net increase of \$124,877.

BUDGETS AND DEFICIT CAUSES

The budget for FY 2016 was adopted in July of 2015 and was amended several times throughout the year to reflect actual project start dates and related revenue streams. Through appropriate management practices, RPC came in under budget by \$3,977,697. However, as noted previously, transportation planning grant funds with remaining balances for FY 2016 were eligible for carryover into FY 2017.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of FY 2016, the Commission had \$186,336 invested in capital assets. These typically include office furniture and equipment.

Debt

The Commission has line of credit agreements with banks totaling \$2.45 million to temporarily cash for the Bike Share program and for operations.

A new \$1.7 million line of credit was secured during FY 2015 to support the Bike Share program. Draws against the line began in July 2015, peaked in August at \$1,030,226 and were repaid in September leaving a zero balance at September 30, 2015. That line has since expired and was not renewed. The \$750,000 line of credit remains in place for working capital needs but no draws occurred during FY 2016.

CURRENTLY KNOWN FACTS AND CONDITIONS

The Commission has continued to improve since the previous audit period. Weekly management meetings focus on continuous improvement of the Commission's operations and cash flow. Routine meetings with the Finance Committee and Board of Directors also review all financial activity of the Commission.

The FY 2016 financial reports were used by management to compare budget versus actual expenses and revenues. Various Commission committees, such as Program/Budget and Finance, used these reports to set policy and direction for the agency. The Board and these associated committees were not receiving adequate budgetary information prior to the first quarter of FY 2007.

The general organizational structure of the agency continues to be reexamined to ensure that the programs and staffing of the Commission fit with the agency's intended purpose and mission and that costs can be adequately covered by Commission revenues.

The Commission assumed responsibility for two Medicaid Waiver Programs in Jefferson County effective October 1, 2011. To support these programs in FY16, the agency had 24 employees and expenses of \$7,333,421 against a \$10,018,694 budget.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors, and creditors of our region with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Charles E. Ball, AICP
Executive Director
2 20th Street North, Suite 1200
Birmingham, Alabama 35203
205-264-8401

Or

L. Ray Morris, Jr.
Deputy Executive Director
2 20th Street North, Suite 1200
Birmingham, Alabama 35203
205-264-8430

INDEPENDENT AUDITOR'S REPORT

To the Executive Committee of the
Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham ("the Commission"), as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of September 30, 2016 and 2015, and the respective changes in financial position, thereof for the years then ended in conformity with 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 that the management's discussion and analysis and budgetary comparison information on pages 1 through 4 and the schedules of employer contributions and of changes in the net pension liability (pages 44 and 45) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise the Commission's basic financial statements. The schedules of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB)'s *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are not a required part of the basic financial statements of the Commission.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 15, 2017 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

D. Piazza Larocca Heeter & Co., LLC

February 15, 2017

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statements of Net Position
September 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 957,470	\$ 349,506
Receivables from Federal grantors and subgrantee agencies	2,848,603	4,082,316
Prepaid assets	60,563	37,738
Capital assets, net:	<u>186,336</u>	<u>173,227</u>
Total assets	4,052,972	4,642,787
DEFERRED OUTFLOWS OF RESOURCES		
Employer retirement contributions for current fiscal year	<u>402,025</u>	<u>233,605</u>
Total deferred outflows	402,025	233,605
Total assets and deferred outflows of resources	\$ <u>4,454,997</u>	\$ <u>4,876,392</u>
LIABILITIES		
Accounts payable	\$ 1,487,413	\$ 2,097,782
Accrued compensated absences	132,942	115,065
Deferred revenue	482,309	599,741
Net pension liability	<u>2,083,158</u>	<u>1,938,777</u>
Total liabilities	4,185,822	4,751,365
DEFERRED INFLOWS OF RESOURCES		
Net difference between projected and actual earnings on pension plan investments	<u>43,380</u>	<u>115,777</u>
Total deferred inflows of resources	43,380	115,777
Total liabilities and deferred inflows of resources	4,229,202	4,867,142
NET POSITION		
Invested in capital assets	186,336	173,227
Unrestricted	<u>39,459</u>	<u>(163,977)</u>
Total net position	<u>225,795</u>	<u>9,250</u>
Total liabilities, deferred inflows of resources and net position	\$ <u>4,454,997</u>	\$ <u>4,876,392</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Activities
For the year ended September 30, 2016**

	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense) Revenue and Changes in Net Assets</u> Governmental Activities
<u>Functions/Programs</u>			
Primary government:			
Governmental activities:			
General government	\$ (96,486)	\$ 173,213	\$ 269,699
Senior services	7,342,475	7,292,095	(50,380)
Transportation planning	4,258,658	4,275,638	16,980
Other regional planning	719,782	700,028	(19,754)
Total government activities	<u>12,224,429</u>	<u>12,440,974</u>	<u>216,545</u>
Total primary government	\$ <u>12,224,429</u>	\$ <u>12,440,974</u>	216,545
Change in net position			216,545
Net position beginning			9,250
Net position ending			<u><u>225,795</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Activities
For the year ended September 30, 2015**

	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
<u>Functions/Programs</u>			
Primary government:			
Governmental activities:			
General government	\$ (495)	\$ 268,202	\$ 268,697
Senior services	6,212,884	6,285,534	72,650
Transportation planning	6,118,398	6,152,669	34,271
Other regional planning	759,006	763,400	4,394
Total government activities	<u>13,089,793</u>	<u>13,469,805</u>	<u>380,012</u>
Total primary government	\$ <u>13,089,793</u>	\$ <u>13,469,805</u>	380,012
			380,012
			<u>(370,762)</u>
			<u>\$ 9,250</u>

Change in net position
Net position beginning
Net position ending

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Balance Sheet
Governmental Funds
September 30, 2016**

	<u>General</u>	<u>Transportation</u>	<u>Senior Services</u>	<u>Other Regional Planning</u>	<u>Total Governmental Services</u>
ASSETS					
Cash and cash equivalents	\$ 957,470	\$ -	\$ -	\$ -	\$ 957,470
Receivables from Federal grantors and subgrantee agencies	301,210	1,054,532	1,354,417	138,444	2,848,603
Other assets	60,563	-	-	-	60,563
Total assets	<u>\$ 1,319,243</u>	<u>\$ 1,054,532</u>	<u>\$ 1,354,417</u>	<u>\$ 138,444</u>	<u>\$ 3,866,636</u>
LIABILITIES					
Accounts payable	\$ 72,703	\$ 214,181	\$ 15,991	\$ 1,180,097	\$ 1,482,972
Other liabilities	(650,374)	840,351	1,338,426	(1,041,653)	486,750
Total liabilities	<u>(577,671)</u>	<u>1,054,532</u>	<u>1,354,417</u>	<u>138,444</u>	<u>1,969,722</u>
NET ASSETS					
Unassigned fund balance	1,896,914	-	-	-	1,896,914
Total liabilities and net assets	<u>\$ 1,319,243</u>	<u>\$ 1,054,532</u>	<u>\$ 1,354,417</u>	<u>\$ 138,444</u>	<u>\$ 3,866,636</u>
					\$ 186,336
					(2,083,158)
					358,645
					(132,942)
					(1,671,119)
					\$ 225,795

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Net pension liability is not a financial resource and therefore is not reported in the funds.

Deferred inflows and outflows of resources, net.

Compensated absences of governmental activities are not financial resources and therefore are not reported in the funds.

Subtotal

Net Position

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Balance Sheet
Governmental Funds
September 30, 2015**

	<u>General</u>	<u>Transportation</u>	<u>Senior Services</u>	<u>Other Regional Planning</u>	<u>Total Governmental Services</u>
ASSETS					
Cash and cash equivalents	\$ 349,506	\$ -	\$ -	\$ -	\$ 349,506
Receivables from Federal grantors and subgrantee agencies	1,685,507	1,421,855	947,753	27,201	4,082,316
Other assets	37,738	-	-	-	37,738
Total assets	<u>\$ 2,072,751</u>	<u>\$ 1,421,855</u>	<u>\$ 947,753</u>	<u>\$ 27,201</u>	<u>\$ 4,469,560</u>
LIABILITIES					
Accounts payable	\$ 134,995	\$ 990,333	\$ 947,753	\$ 24,701	\$ 2,097,782
Other liabilities	165,719	431,522	-	2,500	599,741
Total liabilities	<u>300,714</u>	<u>1,421,855</u>	<u>947,753</u>	<u>27,201</u>	<u>2,697,523</u>
NET ASSETS					
Unassigned fund balance	1,772,037	-	-	-	1,772,037
Total liabilities and net assets	<u>\$ 2,072,751</u>	<u>\$ 1,421,855</u>	<u>\$ 947,753</u>	<u>\$ 27,201</u>	<u>\$ 4,469,560</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Net pension liability is not a financial resource and therefore is not reported in the funds.

Deferred inflows and outflows of resources, net.

Compensated absences of governmental activities are not financial resources and therefore are not reported in the funds.

Subtotal

Net position

	\$ 173,227
	(1,938,777)
	117,828
	(115,065)
	<u>(1,762,787)</u>
	<u>\$ 9,250</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

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

For the year ended September 30, 2016

REVENUES	General	Transportation Programs	Senior Services	Other Regional Planning	Total Governmental Services
Regional appropriations	\$ 97,809	\$ -	\$ -	\$ -	97,809
Grants	75,000	4,093,263	7,292,095	700,028	12,160,386
Subgrantee match	-	182,375	-	-	182,375
Other	404	-	-	-	404
Total revenues	173,213	4,275,638	7,292,095	700,028	12,440,974
EXPENDITURES					
Current					
General government	(4,818)	-	-	-	(4,818)
Transportation planning	-	4,258,658	-	-	4,258,658
Senior services	-	-	7,342,475	-	7,342,475
Other regional planning	-	-	-	719,782	719,782
Total expenditures	(4,818)	4,258,658	7,342,475	719,782	12,316,097
Excess (deficit) of revenues over expenditures	178,031	16,980	(50,380)	(19,754)	124,877
OTHER FINANCING SOURCES (USES)					
Transfers in	10,552,169	(13,441)	449,518	9,898	10,998,144
Transfers out	(10,596,518)	-	(411,482)	9,856	(10,998,144)
Total other financing sources and uses	(44,349)	(13,441)	38,036	19,754	-
Net change in fund balances	133,682	3,539	(12,344)	-	124,877
Fund balances - beginning	1,550,615	63,836	148,797	8,789	1,772,037
Fund balances - ending	\$ 1,684,297	\$ 67,375	\$ 136,453	\$ 8,789	\$ 1,896,914

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

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

For the year ended September 30, 2015

	General	Transportation Programs	Senior Services	Other Regional Planning	Total Governmental Services
REVENUES					
Regional appropriations	\$ 191,273	\$ 231,689	\$ -	\$ 228,604	\$ 651,566
Grants	75,000	5,238,754	6,285,534	-	11,599,288
Subgrantee match	-	682,226	-	534,796	1,217,022
Other	1,929	-	-	-	1,929
Total revenues	<u>268,202</u>	<u>6,152,669</u>	<u>6,285,534</u>	<u>763,400</u>	<u>13,469,805</u>
EXPENDITURES					
Current					
General government	98,296	-	-	-	98,296
Transportation planning	-	6,118,398	-	-	6,118,398
Senior services	-	-	6,212,884	-	6,212,884
Other regional planning	-	-	-	759,006	759,006
Total expenditures	<u>98,296</u>	<u>6,118,398</u>	<u>6,212,884</u>	<u>759,006</u>	<u>13,188,584</u>
Excess (deficit) of revenues over expenditures	<u>169,906</u>	<u>34,271</u>	<u>72,650</u>	<u>4,394</u>	<u>281,221</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	29,565	76,147	4,395	110,107
Transfers out	(110,107)	-	-	-	(110,107)
Total other financing sources and uses	<u>(110,107)</u>	<u>29,565</u>	<u>76,147</u>	<u>4,395</u>	<u>-</u>
Net change in fund balances	<u>59,799</u>	<u>63,836</u>	<u>148,797</u>	<u>8,789</u>	<u>281,221</u>
Fund balances - beginning	<u>1,490,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,816</u>
Fund balances - ending	<u>\$ 1,550,615</u>	<u>\$ 63,836</u>	<u>\$ 148,797</u>	<u>\$ 8,789</u>	<u>\$ 1,772,037</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2016**

	Deferred Compensation Plan	Total Fiduciary Net Assets
ASSETS		
Investments	\$ <u>562,940</u>	\$ <u>562,940</u>
Total assets	\$ <u><u>562,940</u></u>	\$ <u><u>562,940</u></u>
NET POSITION		
Held in trust for pension benefits	\$ <u>562,940</u>	\$ <u>562,940</u>
Total net position	<u>562,940</u>	<u>562,940</u>
Total liabilities and net position	\$ <u><u>562,940</u></u>	\$ <u><u>562,940</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2015**

	Deferred Compensation <u>Plan</u>	Total Fiduciary <u>Net Assets</u>
ASSETS		
Investments	\$ <u>518,293</u>	\$ <u>518,293</u>
Total assets	\$ <u><u>518,293</u></u>	\$ <u><u>518,293</u></u>
NET POSITION		
Held in trust for pension benefits	\$ <u>518,293</u>	\$ <u>518,293</u>
Total net position	<u>518,293</u>	<u>518,293</u>
Total liabilities and net position	\$ <u><u>518,293</u></u>	\$ <u><u>518,293</u></u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the year ended September 30, 2016**

	Deferred Compensation Plan	Regional Loan Fund	Total Fiduciary Activity
ADDITIONS			
Contributions	\$ 21,025	\$ -	\$ 21,025
Investment income:			
Net appreciation in fair value of investments	34,303	-	34,303
Total additions	<u>55,328</u>	<u>-</u>	<u>55,328</u>
DEDUCTIONS			
Administrative expenses	481	-	481
Assets transferred to another entity			-
Withdrawals	10,200	-	10,200
Total deductions	<u>10,681</u>	<u>-</u>	<u>10,681</u>
Net change in net position	44,647	-	44,647
Net position- beginning	518,293	-	518,293
Net position- ending	<u>\$ 562,940</u>	<u>\$ -</u>	<u>\$ 562,940</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the year ended September 30, 2015**

	Deferred Compensation Plan	Regional Loan Fund	Total Fiduciary Activity
ADDITIONS			
Contributions	\$ 17,838	\$ -	\$ 17,838
Investment income:			
Net appreciation in fair value of investments	11,165	-	11,165
Total additions	29,003	-	29,003
DEDUCTIONS			
Administrative expenses	1,353	-	1,353
Assets transferred to another entity		3,343,826	3,343,826
Withdrawals	<u>38,632</u>		<u>38,632</u>
Total deductions	39,985	3,343,826	3,383,811
Net change in net position	(10,982)	(3,343,826)	(3,354,808)
Net position- beginning	529,275	3,343,826	3,873,101
Net position- ending	\$ <u>518,293</u>	\$ <u>-</u>	\$ <u>518,293</u>

The notes to the financial statements are an integral part of these statements.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 1 – DESCRIPTION OF REPORTING ENTITY

The Regional Planning Commission of Greater Birmingham ("RPC" or "the Commission") was established in 1969 by the Alabama Legislature to serve as an advisory planning agency for local municipalities and governments within Blount, Chilton, Jefferson, Shelby, St. Clair and Walker Counties. The Commission also provides technical assistance and recommendations for economic development, community development, and governmental services.

The accompanying financial statements present the Commission's operations. The Commission has no blended or discrete component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. *Governmental activities* are normally supported by regional appropriations, intergovernmental revenues and grants.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Direct expenses also include charges for an indirect overhead rate that is based upon general administrative expenses. RPC *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and 2) grants and contributions that are restricted to meeting the operational requirement of a particular function or segment. Regional appropriations and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement preparation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement preparation (Continued)

Regional appropriations are recognized as revenues in the year for which they are due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Dues from member municipalities and counties, interest and grant revenue associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The RPC reports the following major governmental funds:

The *general fund* is the RPC's primary operating fund. It accounts for all financial resources of the Commission, except those required to be accounted for in another fund.

The *transportation program fund* is used to account for Alabama Department of Transportation Funded Unified (Transportation) Planning Work Program and Special Transportation Projects - within the following elements of the Commission's work program:

Base Data for Planning
Comprehensive Planning
Transportation Planning

The Federal Transit Administration, the Federal Highway Administration, and the Alabama Department of Transportation provide financing.

The *senior services fund* is used to account for the Commission's operation of the Medicaid Waiver Program sections Elderly and Disabled (E & D) and 530, HIV/AIDS.

The *other regional planning fund* is used to account for the operations that are not considered major programs. This includes funds received from the Appalachian Regional Commission (ARC), the Federal Economic Development Association (EDA), and local governments.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting, and financial statement preparation (Continued)

As of September 30, 2014, the RPC maintained two fiduciary funds, the *regional loan fund (RLF)* and the *deferred compensation fund*. The regional loan fund was created from a bond issue by the state of Alabama, the proceeds of which were distributed equally to each of the State's planning commissions, and is used to account for funds loaned to small business for area economic development. The deferred compensation plan fund is used to account for RPC's pension fund. The fiduciary funds are not reflected in the government-wide financial statements because the resources from those funds are not available to support the RPC's own programs. RLF uses the specific identification method of creating allowances for nonperforming loans. Effective October 1, 2014, the assets of RLF were transferred to a newly formed entity which was independent of RPC.

The RPC has no material proprietary funds for reporting purposes.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Likewise, general revenues include all regional appropriation dues from member municipalities and counties, interest and other miscellaneous receipts.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance Disclosure

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Commission classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Commission through formal action of the highest level of decision making authority and does not lapse at year-end.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Disclosure (Continued)

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by management as deemed appropriate.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The Commission uses *restricted/committed* amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Commission would first use *committed, then assigned, and lastly unassigned amounts* of unrestricted fund balance when expenditures are made.

The government does not have a formal minimum fund balance policy.

Disclosures of fund balance as reported on the governmental fund balance sheet were as follows for the year ended September 30, 2016:

	General	Transportation	Other	Total Governmental Funds
Fund Balances				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted for	-	-	-	-
Committed to	-	-	-	-
Assigned to	-	-	-	-
Unassigned	<u>1,896,914</u>	<u>-</u>	<u>-</u>	<u>1,896,914</u>
Cash	<u>\$ 1,896,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,896,914</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Disclosure (Continued)

Disclosures of fund balance as reported on the governmental fund balance sheet were as follows for the year ended September 30, 2015:

Fund Balances	General	Transportation	Other	Total Governmental Funds
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted for	-	-	-	-
Committed to	-	-	-	-
Assigned to	-	-	-	-
Unassigned	<u>1,772,037</u>	<u>-</u>	<u>-</u>	<u>1,772,037</u>
Cash	<u>\$ 1,772,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,772,037</u>

The Commission pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Due to and due from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets, which include furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets, which consist of furniture and equipment, are depreciated using the straight line method over a five year useful life.

Post Employment Healthcare Benefits

The Commission does not provide post employment healthcare except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the Commission.

Pensions

The Employees' Retirement System of Alabama (the Plan) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Compensated Absences

The Commission has a standard policy for its full-time employees as to sick and vacation leave. Each employee, after the completion of one year of service, is allowed a vacation with pay at the rate of two weeks (ten working days) in any one calendar year. Upon completion of five years full-time service with the Commission, employees are allowed a vacation at the rate of three weeks (fifteen working days) per year. Upon completion of ten years full-time service with the Commission, employees are allowed a vacation at the rate of four weeks (twenty working days) per year. Upon completion of fifteen years full-time service with the Commission, employees are allowed a vacation at the rate of

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

five weeks (twenty-five working days) per year. Earned vacation time may be allowed to accumulate. Maximum allowable accrued vacation cannot exceed six weeks (thirty working days). Employees who resign in good standing or who are separated from the service of the Commission without fault or delinquency on their part will be paid for the actual number of vacation days earned to the date of separation.

Each employee of the Commission is entitled to sick leave with pay at the rate of one day of sick leave per month of full-time service with the Commission. Unused sick leave allowances may be carried over to the succeeding months and accumulated up to ninety working days.

At September 30, 2016 and 2015, the amount of the liability for all full-time employees of the Commission for accumulated vacation was \$132,942 and \$115,065, respectively.

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS

Budget

Because of the nature of the operations of RPC, annual appropriated operating budgets are not legally required as a means of governance. The financials, therefore, do not include budget versus actual comparisons.

Cost Allocation

Costs were distributed to the projects and activities by an allocation method meeting the requirements of OMB Circular A-87. As of September 30, 2016 and 2015, the indirect cost rates based on actual expenditures for all funds other than senior services were 82.36% and 74.93%, respectively. As of September 30, 2016 and 2015, the indirect cost rates of senior services fund activities were 21.39% and 19.26%, respectively. As of September 30, 2016 and 2015, the fringe benefit cost rates based on actual expenditures for all funds including senior services were 54.44% and 57.03%, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates made by the Commission. These estimates affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS (Continued)

Subsequent Events

Subsequent events have been evaluated through February 15, 2017, which is the date the financial statements were available to be issued.

Uncertain Tax Positions

The Commission has implemented the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. As of September 30, 2016, the Commission had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Open tax years may be subject to examination by taxing authorities.

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. Elements of that reconciliation explain that fixed assets, compensated absences and capital assets of governmental activities are not financial resources and therefore are not reported in the funds. The details of these (\$1,671,119) and (\$1,762,787) differences are as follows:

	<u>2016</u>	<u>2015</u>
Capital assets	\$ 186,336	\$ 173,227
Net pension liability	(2,083,158)	(1,938,777)
Deferred inflows and outflows of resources, net	358,645	117,828
Compensated absences	<u>(132,942)</u>	<u>(115,065)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,671,119)</u>	<u>\$ (1,762,787)</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 3 - RECONCILIATION OF GOVERNMENT-WIDE STATEMENT AND FUND FINANCIAL STATEMENTS (Continued)

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances is different from fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The details of these \$91,668 and \$98,791 differences are as follows:

	<u>2016</u>	<u>2015</u>
Net increase in fund balance total governmental funds	\$ 124,877	\$ 281,221

One element is that Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital expenditures	77,714	46,453
Depreciation expense	(64,605)	(41,482)

Also, some expenses and long-term financing sources 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, such as changes in compensated absences, and were as follows:

Change in compensated absences	\$ (17,871)	\$ 7,482
Change in net pension liability	(144,381)	181,817
Change in net outflows of resources	168,420	20,298
Changes in inflows of resources	<u>72,391</u>	<u>(115,777)</u>

Net adjustment to governmental funds to arrive at changes in net assets of governmental activities	<u>91,668</u>	<u>98,791</u>
--	---------------	---------------

Changes in net position of governmental activities	\$ <u>216,545</u>	\$ <u>380,012</u>
--	-------------------	-------------------

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 4 - CONCENTRATION OF CREDIT RISK

The Commission places its temporary cash investments with financial institutions insured by the Federal Deposit Insurance Corporation. At times deposits may be in excess of insurance coverage limits.

NOTE 5 - RECEIVABLES

Receivables as of year-end for the RPC's individual major funds and non-major funds are as follows:

Receivables:	<u>2016</u>	<u>2015</u>
General Fund	\$ 301,210	\$ 1,685,507
Transportation	1,054,532	1,421,855
Senior Services	1,354,417	947,753
Other Regional Planning	<u>138,444</u>	<u>27,201</u>
Total	<u>\$ 2,848,603</u>	<u>\$ 4,082,316</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and equipment	\$ 486,954	\$ 77,714	\$ -	\$ 564,668
Less accumulated depreciation for:				
Furniture and equipment	<u>(313,727)</u>	<u>(64,605)</u>	<u>-</u>	<u>(378,332)</u>
Total capital assets, net of depreciation	<u>\$ 173,227</u>	<u>\$ 13,109</u>	<u>\$ -</u>	<u>\$ 186,336</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 6 - CAPITAL ASSETS (Continued)

Capital asset activity for the year ended September 30, 2015 was as follows:

Governmental Activities:

Capital assets, being depreciated:

Furniture and equipment	\$ 440,501	\$ 46,453	\$ -	\$ 486,954
-------------------------	------------	-----------	------	------------

Less accumulated depreciation for:

Furniture and equipment	<u>(272,245)</u>	<u>(41,482)</u>	<u>-</u>	<u>(313,727)</u>
-------------------------	------------------	-----------------	----------	------------------

Total capital assets, net of depreciation	<u>\$ 168,256</u>	<u>\$ 4,971</u>	<u>\$ -</u>	<u>\$ 173,227</u>
---	-------------------	-----------------	-------------	-------------------

Depreciation expense was \$64,605 and \$41,482 for the years ended September 30, 2016 and 2015, respectively.

NOTE 7 - LEASES

The Commission leases office facilities with lease terms of 5 and 10 years and 9 months. The future minimum lease payments are as follows:

2017	\$ 325,908
2018	369,608
2019	372,578
2020	379,450
2021	384,468
Thereafter	<u>1,155,734</u>
	<u>\$ 2,987,746</u>

Rent expense for 2016 and 2015 amounted to \$291,938 and 280,416, respectively.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements

September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Plan description

The Employees' Retirement System of Alabama, an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 for the purpose of providing retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

The ERS Board of Control consists of 13 trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.
5. Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6. Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
 - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a Commission, county, or a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. Two vested active employees of an employer participating in ERS pursuant to § 36-27-6.

Benefits provided

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

The Comprehensive Annual Financial Report of the Retirement Systems of Alabama for the year ended September 30, 2016 contains additional information about the ERS plan. Refer to www.rsa.al.gov for the latest CAFR.

Contributions

Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2016, the Commission's active employee contribution rate was 7.5% of covered employee payroll, and the Commission's average contribution rate to fund the normal and accrued liability costs ranged from 8% to 9% of covered employee payroll.

The Commission's contractually required contribution rate for the year ended September 30, 2016 was 9.95% of pensionable pay for Tier 1 employees, and 8.04% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the System for the years ended September 30, 2016 and 2015 were \$268,771 and \$233,605, respectively.

Net Pension Liability

The Commission's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2014 rolled forward to September 30, 2015 using standard roll-forward techniques as shown in the following table:

Total Pension Liability	
as of September 30, 2014 (a)	\$ 5,980,345
Entry Age Normal Cost for	
October 1, 2014 – September 30, 2015 (b)	220,081
Actual Benefit Payments and Refunds for	
October 1, 2014 – September 30, 2015 (c)	(444,904)
Interest	460,631
Difference between expected and actual results	<u>(51,413)</u>
Total Pension Liability	
as of September 30, 2015	
[(a)x(1.08)] + (b) – [(c)x(1.04)]	<u>\$ 6,164,740</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial assumptions

The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return	8.00%, net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	<u>2.00%</u>	1.50%
Total	<u>100.00%</u>	

*Includes assumed rate of inflation of 2.50%.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

Notes to Financial Statements

September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

The discount rate used to measure the total pension liability was the long term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at September 30, 2015	<u>\$ 5,980,345</u>	<u>\$ 4,041,568</u>	<u>\$ 1,938,777</u>
Changes for the year:			
Service cost	220,081		220,081
Interest	460,631		460,631
Differences between expected and actuarial experience	(51,413)		(51,413)
Contributions – employer		224,659	(224,659)
Contributions – employee		187,673	(187,673)
Net investment income		47,901	(47,901)
Benefit payments, including refunds of employee contributions	444,904	(444,904)	-
Administrative expense	-	-	-
Transfers among employers	-	24,685	(24,685)
Net changes	<u>184,395</u>	<u>40,014</u>	<u>144,381</u>
Balances at September 30, 2016	<u>\$ 6,164,740</u>	<u>\$ 4,081,582</u>	<u>\$ 2,083,158</u>

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the Commission's net pension liability calculated using the discount rate of 8%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Rate (8.00%)</u>	<u>1% Increases (9.00%)</u>
Commission's net pension liability	<u>\$ 2,755,743</u>	<u>\$ 2,083,158</u>	<u>\$ 1,515,918</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2015. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2015. The auditor's report dated June 3, 2015 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

Pension expenses and deferred outflows of resources and deferred inflows of resources related to pensions

For the years ended September 30, 2016 and 2015, the Commission recognized pension expense of \$402,025 and \$233,605, respectively. At September 30, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 43,380
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	133,254	-
Employer contributions subsequent to the measurement date	<u>268,771</u>	<u>-</u>
Total	<u>\$ 402,025</u>	<u>\$ 43,380</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources to pensions will be recognized in pension expense as follows:

Year ended September 30:

2017	\$ 18,045
2018	18,045
2019	18,044
2020	46,988
2021	(8,033)
Thereafter	<u>(3,315)</u>
	<u>\$ 89,774</u>

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Notes to Financial Statements
September 30, 2016 and 2015

NOTE 9 - CONTINGENT LIABILITIES

Use of federal, state, and locally administered federal and other grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

SUPPLEMENTAL INFORMATION

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM

**Schedule of Expenditures of Federal Awards
For the year ended September 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identification Number</u>	<u>Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Funds Expended</u>
U.S. Department of Transportation Passed Through the Alabama State Highway Department of Transportation					
F.W.H.A. Section 112(M)	20.205	PL45M-100064734	-	-	843,454
Bidshare	20.205	STBHL-100060671	-	-	1,334,378
Bikeshare	20.205	CMAQC-100062541	-	-	212,727
ALDOT - Safe Routes to School Program	20.205	SREE-100058872	-	-	6,393
Voluntary Air Quality	20.205	CMAQ-NR14-100056492	-	-	539,280
Building Communities	20.205	BHST-100059154	-	-	633,848
ALDOT-Rural Transportation Planning	20.205	ZZ50-100064805	-	-	49,998
ALDOT - Corridor Feasibility Study (APPLE)	20.205	STBHH - 100056480	-	-	165,567
I-65 Mobility Matters Project	20.500	ST-037-165-002-100053260	-	-	23,119
ALDOT - Transportation Systems Congestion Management	20.205	STPBH-100056490	-	-	15,146
ALDOT - Transportation Systems Congestion Management	20.205	STPBH-100063739	-	-	221,164
Birmingham Jefferson County Transit Authority	20.205	U.S. I/US. 78 East Corridor Alternatives	-	-	851
		Total of Transportation Cluster			4,045,925
Appalachian Regional Commission					
Direct Program					
Local Development Districts	23.009	AL-700E-C44	-	-	28,298
Local Development Districts	23.009	AL-700E-C45	-	-	84,894
		Total			113,192
Appalachian Regional Commission					
Direct Program					
Birmingham Health Impact Project (ARC)	23.009	AL-18366-16	-	-	22,514
		Total			22,514
U.S. Department of Commerce Passed Through the Economic Development Administration Direct Program					
EIDA	11.302	F048306882	-	-	63,000
		Total			63,000
Health and Human Services					
Passed Through the Alabama Waiver Program					
Medicaid Waiver Programs					
Medicaid Waiver	93.796	Medical Waiver	-	-	7,035,512
HIV/AIDS Waiver Agreement	93.796	530 HIV Waiver Services	-	-	98,827
TA (Technology Assisted Waiver)	93.796	TA	-	-	44,123
ACT (Alabama Community Transition Waiver)	93.796	ACT	-	-	88,232
1306 01 ACT	93.796	ACT	-	-	4,615
		Total of Medicaid Cluster			7,271,309
		Grand Total \$			11,515,940

The accompanying notes are an integral part of this schedule.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Schedule of Expenditures of Federal Awards
September 30, 2016

Note to the Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Regional Planning Commission of Greater Birmingham (the Commission) under programs of the federal government for the year ended September 30, 2016. The information in this schedule is presented 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 Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Commission.

Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Indirect Cost Rates

The Commission has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Executive Committee of
The Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional Planning Commission of Greater Birmingham ("the Commission") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated February 15, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

D. Piazza LaRocca Heeter & Co., LLC

Birmingham, Alabama
February 15, 2017

DLHC
DIPIAZZA
LARocca
HEETER
Co, LLC

OFFICE LOCATION
5100 PARK DRIVE • SUITE 100
BIRMINGHAM, AL 35223
205.871.9973
205.871.9983

MAILING ADDRESS
P.O. Box 530095
BIRMINGHAM, AL 35253-0095

MEMBERS
AICPA
ALABAMA SOCIETY OF CPAs
CENTER FOR AUDIT QUALITY
CAQC
EBPAQC

www.DLHCPA.com

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB'S UNIFORM GUIDANCE**

To the Executive Committee of
The Regional Planning Commission of Greater Birmingham
Birmingham, Alabama

Report on Compliance for Each Major Federal Program

We have audited the Regional Planning Commission of Greater Birmingham's (the Commission's) compliance with the types of compliance requirements described in the OMB's Compliance Supplement that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2016. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

D. Piazza Lanza Heeter & Co., LLC

Birmingham, Alabama

February 15, 2017

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2016

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material-weakness(es) identified _____ Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Reportable conditions identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) _____ Yes X No

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

20.205

Transportation

93.796

Medicaid

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II – Financial Statement Findings

No current year financial statement findings noted.

Section III – Prior Year Financial Statement Findings

No prior year financial statement findings noted.

REQUIRED SUPPLEMENTARY INFORMATION

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the years ended September 30 2016 and 2015

	2016	2015
Actuarially determined contribution	\$ 268,771	\$ 233,603
Contributions in relation to the actuarially determined contribution	<u>(268,771)</u>	<u>(233,603)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 2,744,102</u>	<u>\$ 2,577,240</u>
Contributions as a percentage of covered payroll	-9.79%	-9.06%

Notes to schedule.

a This schedule requires this information for 10 years. Only 2 years are available at this time.

b Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2016 were based on the September 30, 2013 actuarial valuation.

c Methods and assumptions used to determine contribution rates for the period October 1, 2015 to September 30, 2016:

<i>Actuarial cost method</i>	<i>Entry age</i>
<i>Amortization method</i>	<i>Level percent closed</i>
<i>Remaining amortization period</i>	<i>17 years</i>
<i>Asset valuation method</i>	<i>Five year smoothed market</i>
<i>Inflation</i>	<i>3%</i>
<i>Salary increases</i>	<i>3.25%-7.25%, including inflation</i>
<i>Investment rate of return</i>	<i>8%, net of pension plan investment expense, including inflation</i>

See auditor's report.

THE REGIONAL PLANNING COMMISSION OF GREATER BIRMINGHAM
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
LAST 2 FISCAL YEARS ENDING SEPTEMBER 30

	2015	2014
Total pension liability		
Service cost	\$ 220,081	\$ 200,706
Interest	460,631	443,521
Changes in benefit terms	-	-
Differences between expected and actual experience	(51,413)	-
Changes of assumptions	-	-
Benefit payments, including refunds of employee contributions	(444,904)	(415,789)
Net change in pension liability	<u>184,395</u>	<u>228,438</u>
Total pension liability - beginning	<u>5,980,345</u>	<u>5,751,907</u>
Total pension liability - ending	<u><u>\$ 6,164,740</u></u>	<u><u>\$ 5,980,345</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 224,659	\$ 213,307
Contributions - employees	187,673	178,289
Net investment income	47,901	434,266
Benefit payments, including refunds of employee contributions	(444,904)	(415,789)
Transfers among employers	24,685	182
Net change in fiduciary net position	<u>40,014</u>	<u>410,255</u>
Plan net position - beginning	<u>4,041,568</u>	<u>3,631,313</u>
Plan net position - ending	<u><u>\$ 4,081,582</u></u>	<u><u>\$ 4,041,568</u></u>
Net pension liability - ending	<u><u>\$ 2,083,158</u></u>	<u><u>\$ 1,938,777</u></u>
Plan fiduciary net pension as a percentage of the total pension liability	66.21%	67.58%
Covered payroll	<u><u>\$ 2,744,102</u></u>	<u><u>\$ 2,577,240</u></u>
Net pension liability as a percentage of covered payroll	75.91%	75.23%

Notes to schedule.

*This schedule requires this information for 10 years. Only 2 years are available at this time.
Covered payroll during the measurement period is the total covered payroll.
The measurement period is for the fiscal year previous to the current fiscal year.*

See auditor's report.