OHIO AUDITOR OF STATE
KEITH FABER

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY
JUNE 30, 2021

TABLE OF CONTENTS

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY
JUNE 30, 2021

TABLE OF CONTENTS
(Continued)

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
124 North Fourth Street, 2nd Floor
Steubenville, Ohio 43952

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and the major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, Ohio (the Commission), as of and for the year ended June 30, 2021, 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 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 Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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 the major fund of the Commission, as of June 30, 2021, 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.

Emphasis of Matter

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

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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 Commission's basic financial statements taken as a whole.

The Budget Comparison; Schedule of Rates Fringe, Indirect and Combined Rates 1998 to 2021; Schedule of Indirect and Fringe Comparison 2020 to 2021; Schedule of Agency Management Expenditures Indirect Costs; Schedule of Fringe Benefits; Schedule of Contract Revenues and Expenditures; and Note to Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

We did not subject the Budget Comparison; Schedule of Rates Fringe, Indirect and Combined Rates 1998 to 2021; Schedule of Indirect and Fringe Comparison 2020 to 2021; Schedule of Agency Management Expenditures Indirect Costs; Schedule of Fringe Benefits; Schedule of Contract Revenues and Expenditures; and Note to Schedule of Contract Revenues and Expenditures section information 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 February 28, 2022, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2022

This page intentionally left blank.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2021
Unaudited

Performance

Brooke-Hancock-Jefferson Metropolitan Planning Commission, (the Commission) continues to sustain a strong and fiscally accountable agency. We have been fortunate to maintain and target ourprograms while sustaining a healthy revenue stream. In addition, our fringe/indirect rate structure has remained steady.

The Commission was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run-in perpetuity. They fluctuate according to mandates and events. In 2021, 78% of the Commission's revenues were generated through federaland state grants. In 2021, 41% of those funds were allocated to transportation; 10% allocated to transit studies and capital planning; 1% allocated to environmental protection agency; 36% allocated to economic development and 12% allocated to community development.

Fundamental Principles of the Financial Audit Statements

- The Commission's financial statements are prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives.
- The net position statement presents information on all the Commission assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.
- The Statements of Revenues, Expenditures, and Changes in Fund Balance report operational measures and provide a guideline to determine whether the Commission successfully recovered all of its costs through federal, state and local government and contracts, members' per capita fees and other contributions and revenues.

Financial Highlights FY 20 to FY 21 Comparisons

- Total net 2021 position (i.e., total assets and deferred outflow of resources minus total liabilities and deferred inflows of resources) increased 48.23% from 2020.
- Fiscal year 2020 ranked as the lowest accumulated Net Position year. The highest Net Position year was 2014. If not for the recording of GASB 68 and GASB 75, Fiscal Year 2021 would have had the highest net position in the amount of $248,381.
- Revenue in 2021 decreased by $383,976 over the previous year. The change was largely due to the Environmental Protection Agency Brownsfield Coalition Grant and various economic development programs.
- Expenses in 2021, driven by the above revenue generation, decreased 57%.
- Actual Indirect Costs in 2021 were 8% lower when compared to 2020 thereby decreasing the indirect cost rate by 27.53%. Total Fringe Benefits were $14,380 lower in 2021 amounting to a 6% decrease in expense from the previous year.

Long Term Debt

Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter intocapital leases. There was no long-term debt at the end of the fiscal year, June 30, 2021, except for the Net Pension Liability and Capital Lease.

Net Pension and OPEB Liability

During 2015, the Commission adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pensioncosts and liabilities. For fiscal year 2018, the Commission adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability and net OPEB liability to the reported net position and subtractingdeferred outflows related to pension and OPEB.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post-employment benefits. GASB noted that the unfunded portion of this pension and OPEB promise is a present obligation of the government, part of a benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Commission is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contributionrates are capped by State statute. A change in these caps requires action of both Houses of the GeneralAssembly and approval of the Governor.

Benefit provisions are also determined by State statute. TheOhio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the retirement 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 retirement systemis responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e.,sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how thenet pension liability and the net OPEB liability are satisfied, these liabilities are separately identifiedwithin the long-term liability section of the statement of net position.

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

Capital Assets

Computers, Office Furniture, Copiers and Traffic Count Equipment	
Balance as of July 1, 2020	120,202
Additions:	13,877
Balance as of June 30, 2021	134,079
Accumulated Depreciation	
Balance as of July 1, 2020	(116,004)
Current Year - depreciation expense	(5,171)
Balance as of June 30, 2021	(121,175)
Net Capital Assets June 30, 2021	$ 12,904

Budgets

Annually, the Commissions' finance department prepares a budget for the general fund and its' oversight agency. The oversight agency uses the budget to calculate provisional fringe and indirect cost rates for the fiscal year. The budget is reviewed and approved by both the Commission and the oversight agency. Budgets are reviewed on an ongoing basis and amendments are proposed, as necessary. The amendments are approved by the Executive Committee. The Commission is not required by Ohio Revised Code to budget however, the board approves a budget prepared by the financial manager to guide them.

General Fund

The Commission has only one major fund – the General Fund. Information on the General Fund begins on page 15. The General Fund had total revenues of $901,141 and total expenditures of $896,515 and total financing resources of $9,236. The fund balance increased by $13,862.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2021
Unaudited

The Purpose of the Management Discussion and Analysis (MD&A)

Anyone who has ever looked at an annual report, a 10-K or a 10-Q has undoubtedly noticed that thereare pages and pages of text -- the filings are not just financial statements. Part of this text is the MD&A,and its intent is to explain portions of detailed financial statements. That is, the MD&A is a simplified report of Brooke-Hancock Jefferson Metropolitan Planning Commission's Statement of Net Position andStatement of Activities for the year ended June 30, 2021. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

This audit is a one-year snapshot of Brooke-Hancock-Jefferson Metropolitan Planning Commission's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture:

"Each general purpose federal financial report (GPFFR) should include a section devoted to management's discussion and analysis (MD&A). It should address the reporting entity's performance measures, financial statements, systems and controls, compliance with laws and regulations, andactions taken or planned to address problems. The discussion and analysis of these subjects may be based partly on information contained in reports other than the GPFFR. MD&A also should address significant events, conditions, trends and contingencies that may affect future operations."

For the purposes of doing business in West Virginia, the Commission contracts under the name of the Brooke-Hancock Regional Planning and Development Council (BH). The audit report information is a comprehensive picture of the entire agency.

Contacting Brooke-Hancock-Jefferson Metropolitan Planning Commission

This financial report is designed to provide members, grantors, federal and state oversight agencies and interested citizens of Brooke and Hancock counties, WV, and Jefferson County, OH with a general overview of Commission's finances and accountability for monies received. Additional financial information may be obtained by contacting the Commission's Finance Manager (124 North 4th Street, Steubenville, Ohio 43952).

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2021
Unaudited

STATEMENT OF NET POSITION

	2020	2021	Change
Assets			
Current and Other Assets	$ 321,589	$ 301,004	$ (20,585)
Net Other Post-Employment Benefits Asset		46,392	46,392
Capital Asset, net	4,198	12,904	8,706
Total Assets	325,787	360,300	34,513
Deferred Outflow of Resources			
Other Post-Employment Benefits	63,076	40,786	(22,290)
Pension Benefits	78,470	62,986	(15,484)
Total Deferred Outflow of Resources	141,546	103,772	(37,774)
Liabilities			
Current and Other Liabilities	87,045	54,037	(33,008)
Long Term Liabilities:			
Due in More Than One Year			
Copier Lease	0	6,107	6,107
Net Other Post-Employment Benefits Liability	336,751	0	(336,751)
Net Pension Benefits Liability	517,270	414,175	(103,095)
Total Liabilities	941,066	474,319	(466,747)
Deferred Inflows of Resources			
Other Post-Employment Benefits	48,350	141,757	93,407
Pension Benefits	110,749	178,758	68,009
Deferred Revenue	5,982	0	(5,982)
Total Deferred Inflows of Resources	165,081	320,515	155,434
Net Position			
Net Investment in Capital Assets	2,952	4,711	1,759
Unrestricted	(641,766)	(335,473)	306,293
Total Net Position	$ (638,814)	$ (330,762)	$ 308,052

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2021
Unaudited

CHANGES IN NET POSITION - GOVERNMENT-WIDE ACTIVITIES

	2020	2021	Change
Revenue			
Program Revenue			
Operating Grants and Contributions	$ 958,816	$ 672,328	$ (286,488)
General Revenues			
Per Capita Dues	105,535	105,535	0
West Virginia Development Office	35,000	35,000	0
Miscellaneous	185,763	93,658	(92,105)
Total Revenues	1,285,114	906,521	(378,593)
Expenses			
Transportation Planning	512,280	218,421	(293,859)
Transit Studies	30,247	50,100	19,853
Community Development	132,613	68,673	(63,940)
Environmental Protection	466,972	34,916	(432,056)
Economic Development	242,801	226,359	(16,442)
Total Expenses	1,384,913	598,469	(786,444)
Changes in Net Position	(99,799)	308,052	407,851
Beginning Net Position	(539,015)	(638,814)	(99,799)
Ending Net Position	($638,814)	($330,762)	$308,052

FUNCTIONAL EXPENSES

Programs	Total Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2021	Net Cost of Services 2020
Transportation Planning	$ 218,421	$ 512,280	$ 69,588	$(75,825)
Transit Studies	50,100	30,247	20,428	(4,885)
Community Development	68,673	132,613	(23,998)	(80,252)
Environmental Protection	34,916	466,972	(28,206)	(135,383)
Economic Development	226,359	242,801	30,664	(129,752)
Total Expenses	**$ 598,469**	**$1,384,913**	**$ 68,476**	**$(426,097)**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
GOVERNMENT-WIDE ACTIVIES
JUNE 30, 2021

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 171,495
Accounts receivable	44,666
Grants and contributions receivable	63,864
Prepaids	20,979
LONG-TERM ASSETS	
Net other post-employment benefits	46,392
CAPITAL ASSETS	
Property, plant, and equipment, net of accumulated depreciation	12,904
Total assets	360,300
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	62,986
Deferred outflows of resources - other post-employment benefits	40,786
Total deferred outflows of resources	103,772
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 464,072**

LIABILITIES

CURRENT LIABILITIES	
Accounts payable	$ 26,324
Accrued payroll	16,075
Accrued and withheld payroll taxes	3,597
Accrued and withheld employee benefits	5,955
Copier Lease	2,086
LONG-TERM LIABILITIES	
Net pension liability	414,175
Copier Lease	6,107
Total liabilities	474,319
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	178,758
Deferred inflows of resources - other post-employment benefits	141,757
Total deferred inflows of resources	320,515
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 794,834**

NET POSITION

Net Investment in Capital Assets	$ 4,711
Unrestricted (Deficit)	(335,473)
TOTAL NET POSITION	**$ (330,762)**

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS

	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Government -Wide Activities
Primary Government-Wide:				
Transportation planning	$ 125,133	$ 93,288	$ 288,009	$ 69,588
Transit studies and capital planning	41,465	8,635	70,528	20,428
Community development projects	40,855	27,818	50,058	(18,615)
Environmental protection projects	19,960	14,956	6,710	(28,206)
Economic development projects	164,848	61,511	257,023	30,664
Total Primary Government-Wide	$ 392,261	$ 206,208	$ 672,328	$ 73,859

General Government-Wide Revenues:	
Miscellaneous	48,134
Per Capita revenues	105,535
Administrative Revenues	45,524
West Virginia Development Office	35,000
Total General Government-Wide Revenues	234,193
CHANGES IN NET POSITION	308,052
NET POSITION, BEGINNING OF YEAR	(638,814)
NET POSITION, ENDING	$ (330,762)

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND BALANCE SHEET
JUNE 30, 2021

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$171,495
Accounts receivable	44,666
Grants receivable	63,864
Prepaids	20,979
TOTAL CURRENT ASSETS	**$ 301,004**

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES	
Accounts payable	$26,324
Accrued and withheld employee benefits	5,955
Accrued payroll	16,075
Accrued and withheld payroll taxes	3,597
Deferred Revenue	5,383
TOTAL CURRENT LIABILITIES	**$57,334**
FUND BALANCE	
Non-spendable	$20,979
Unassigned	222,691
Total Fund Balance	$243,670
TOTAL LIABILITIES AND FUND BALANCE	**$301,004**

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
JUNE 30, 2021

General Fund Balance	$243,670
Amounts reported for government-wide activities in the statement of netposition are different because:	
Capital assets of $134,080 net of accumulated depreciation of ($121,175) are not financial resources and therefore, are not reported in the funds.	12,904
Capital Leases are not due and payable in the current period and therefore, are not reported in the funds.	(8,193)
Deferred Inflows-Revenues are resources received for a future period and are financial resources. Therefore, they are reported in the fund.	5,383
Net OPEB asset of $46,392 plus deferred outflows less net deferred inflows/outflows of OPEB are not financial resources and therefore, are not reported in the fund.	(54,579)
Net pension liability of $414,175 plus net deferred inflows/outflows of pension are not financial resources and therefore, are not reported in the fund.	(529,947)
Net Position of Government-Wide Activities	$(330,762)

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

		General Fund
REVENUES		
Federal grants and projects		$ 635,278
State financial assistance		66,667
Per capita dues		105,535
Administrative revenues		45,524
Local assistance		48,137
	Total revenues	$901,141
EXPENDITURES		
Transportation planning		$325,891
Transit studies and capital planning		75,223
Community development projects		103,109
Environmental protection projects		52,425
Economic development projects		339,867
	Total expenditures	$896,515
OTHER FINANCING RESOURCES		
Lease Proceeds		$9,236
	Total other financing resources	$9,236
	NET CHANGES IN FUND BALANCE	13,862
GENERAL FUND BALANCE, BEGINNING		229,808
GENERAL FUND BALANCE, ENDING		$243,670

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2021

Net Change in Fund Balances - General Fund	$13,862
Amounts reported for government-wide activities in the statement of activities are different because:	
General funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-wide Statement of Activities.	8,706
The repayment of principal lowers current financial resources. This is the amount of debt payments in the current period.	2,289
Lease proceeds provide current financial resources.	(9,236)
Unearned revenue received but not yet earned, do not provide current financial resources.	5,383
Pension expense reported in the Government –wide activities that are not financial resources and therefore are not reported in the fund.	(38,487)
Pension contributions subsequent to the measurement date reported as deferred outflows.	58,089
OPEB expense reported in the Government –wide activities that are not financial resources and therefore are not reported in the fund.	267,446
Change in Net Position of Government-wide Activities	$308,052

The accompanying notes are an integral part of the basic financial statements.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In a prior reporting period, the Commission adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments;* Statement No. 37 *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments: Omnibus; and* Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.* This resulted in a change in format and content of the basic financial statements, including the institution of two levels of reporting. The two levels are government-wide financial statements and governmental fund financial statements.

Reporting Entity – The Commission is a quasi-government agency that provides planning and administrative service to various federal, state, and local governments for the three county areas of Brooke and Hancock Counties of West Virginia and Jefferson County, Ohio. The Commission is the sole organization of the reporting entity in accordance with GASB No. 14.

The Commission is made up of the Commissioners of Brooke and Hancock counties of West Virginia and Jefferson County of Ohio and all mayors of each city and village in the above three counties. The Commissioners and Mayors then appoint additional members. As such, each of the counties and municipalities is required to pay a per capita contribution to the Commission for each fiscal year.

The Commission maintains its own set of accounting records. Accordingly, the accompanying financial statements include only the accounts and transactions of the Commission. Under the criteria specified in Statement No. 14, the Commission has no component units. The Commission is not financially accountable for any other organization.

<u>Government-Wide and Governmental Fund Financial Statements</u> – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the government.

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. Indirect expenses have been included as part of program expenses on the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenue.

The Commission has only one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at the Commission.

<u>Measurement Focus and Basis of Accounting</u> – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.For this purpose, the Commission considers revenues to be available, if they are collected within 90 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fundfinancial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

Fund Accounting – The accounts of the Commission are organized based on funds or groups of accounts, each of which is considered a separate accounting entity. The Commission has one fund (General Fund). The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets and deferred outflows of resources, liabilities and deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in the fund based upon the purposes of which they are to be spent and how spending activities are controlled. The fund in this report is reported under the following broad fund category:

1) General Fund

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources.

Revenues – Non-Exchange Transactions – Non-exchange transactions, in which the Commission receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants 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 the Commission must provide local resources to be used for those specific purposes, and expenditure requirements, in which the resources are provided tothe Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized. The available period is three months after year end.

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time theyare incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Capital Assets – The Commission updated its' policy for capitalization of property and equipment. It capitalizes at cost assets costing $5,000 and greater and with a useful life greater than one year. Capital assets are depreciated using the straight-line method over the following estimated usefullives less any salvage value:

Description	Estimated Lives
Equipment	5 to 15 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Restricted – In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by outside parties, such as creditors, grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Unrestricted fund balance indicates that portion of fund equity, which is available for spending in future periods.

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Commission. Those committed amounts cannot be used for any other purpose unless the Commission removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the for specific purposes but do not meet the criteria to be classified as restricted or committee. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Commission or an official delegated that authority by resolution, or by State Statute.

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

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

Net Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position would consist of monies and other resources, which are restricted to satisfy debt service requirements as specified in debt agreements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Allocation of Employee Benefits and Indirect Cost –The Commission's Employee Benefits and IndirectCosts are allocated based upon direct labor costs. The allocation method is approved by the Commission's oversight agency through acceptance of the Overall Work Plan (OWP) submitted annually.

Cash and Cash Equivalents – The investment and deposit of the Commission's monies are governedby the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Commission to invest its monies in certificates of deposits, savings accounts, money market accounts, the State Treasurer's investment pool (Star Ohio) and obligations of the United States government and certain agencies thereof. The Commission may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding 30 days.

The Commission is prohibited from investing in any financial instruments, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instruments, contracts, or obligation itself (commonly known as a "derivative"). The Commission is also prohibited from investing in reverse purchase agreements.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution or may deposit surety company bonds which when executed shall be for an amount in excess of collateral requirements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and must mature or be redeemable within 5 years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require securityfor public deposits and investments to be maintained in the Commission's name.

Income Taxes – The Commission is exempt from federal income tax under §501(c) (1) of the Internal Revenue Code of 1954.

Use of Estimates – The preparation of financial statements in conformity with auditing standards generally 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 andexpenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets **-** Budgets for the commission 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. The Commission is not required by Ohio Revised Code to budget however, the board approves a budget prepared by the Finance Manager to guide them.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Commission, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Commission, deferred inflows of resources include pension, OPEB, and unearned revenue. Unavailable revenue is reported only on the Government-wide balance sheet and represents receivables which will not be collected within the available period. Unearned revenue are receipts from non-exchange transactions for which the criteria has not been met to recognize as revenue. The details of these unearned revenues are identified on the Reconciliation of General Fund Balances to Net Position of Government-wide Activities on page 16. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 7 and 11)

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

Accrued Liabilities and Long-term Obligations **-** All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, government-wide payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from government-wide funds are reported as a liability in the general fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable, and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease Accounting - In June 2017, GASB issued Statement No. 87, Leases, ("GASB 87"). The objective of GASB 87 is to improve accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of GASB 87 are effective for fiscal years beginning after June 15, 2021. The Commission has not yet implemented GASB 87.

For fiscal year 2021, the Commission implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2019-1. These changes were incorporated in the Commission's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash deposits and cash on hand consist of the following at June 30,2021:

	Carrying Balance	Bank Balance
PNC	$ 171,495	$171,578
Petty Cash	150	-
Total cash deposits and cash on hand	$ 171,645	$ 171,578

The Commission's funds at PNC Bank are insured up to the FDIC limit at June 30, 2021, and the Commission's balances were not in excess of the FDIC prescribed insured limits.

NOTE 3- CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2021 is as follows:

Equipment Balance of July 1, 2020	$ 120,202
Additions	13,877
Balance June 30, 2021	134,079
Accumulated Depreciation	
Prior Years	$ (116,004)
Current Year	(5,171)
Balance June 30, 2021	(121,175)
Net Capital Assets June 30, 2021	$ 12,904

NOTE 3- CAPITAL ASSETS (CONTINUED)

Direct and Indirect depreciation expense for the period ending June 30, 2021, included in the Government-wide expenses consist of the following:

Transportation planning	$ 3,193
Transit studies and capital planning	261
Community development projects	357
Environmental protection projects	182
Economic development projects	1,178
Total	$ 5,171

NOTE 4 - GRANTS RECEIVABLE

Grants receivable of $63,864 is comprised of amounts due from the following governmental entities at June 30, 2021:

WV Department of Transportation – FHWA (Federal)	$ 13,408
WV Department of Transportation – FHWA (State)	1,677
WV Department of Transportation – FTA Transit (Federal)	938
WV Department of Transportation – FTA Transit (State)	117
Ohio Department of Transportation – FHWA (Federal)	16,477
Ohio Department of Transportation – FHWA (State)	2,130
Ohio Department of Transportation – FTA Transit (Federal)	1,045
Ohio Department of Transportation – FTA Transit (State)	130
Ohio Department of Transportation – FTA STP Transit	11,955
EPA – Brownsfield Assessment Grant – BHJ Coalition	3,265
Economic Development – Cares Act	12,102
Ohio Rideshare	620
Total grants receivable	**$ 63,864**

NOTE 5 - DEFERRED INFLOWS OF RESOURCES – GENERAL FUND

Deferred Inflows of Resources represents unearned revenues from non-exchange transactions at June 30, 2021:

ARC Calendar Year 2021	$ 5,383
Total deferred inflows	$ 5,383

NOTE 6 - LINE OF CREDIT

The Commission entered into a $10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2021. There were no draws or payments associated with this loan during thefiscal year, except for $150 annual renewal fee. No balance was outstanding at fiscal year-end.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS

Net OPEB Liability/Asset

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

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

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

GASB 75 assumes the liability/asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohiorevised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability/asset* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System

OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member- Directed Plan, a defined contribution plan. OPERS is a qualified governmental plan under Section 401(a) of the Internal Revenue Code (IRC). OPERS is administered in accordance with Chapter 145 of the ORC. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The OPERS health care plans are reported as cost-sharing, multiple employer other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage.

Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service atany age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees who purchase supplemental coverage through the Connector may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses. Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account (RMA) funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015, will vest in the RMA over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015, vest in the RMA over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required.

Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees.

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for the HRA, as the prior trust structure, the 401(h) Health Care Trust (401(h) Trust) and the Voluntary Employees' Beneficiary Association Trust (VEBA Trust), could not legally support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Trust was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The VEBA Trust accumulated funding for RMAs for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning 2016, the 115 Trust, established under IRC Section 115, is the funding vehicle for all health care plans.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year.

OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the state of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees; there is no financial interdependency with the state of Ohio. The Board is the governing body of OPERS, with responsibility for administration and management. Of the Board, seven members are elected by the group they represent: the retirees (two representatives), employees of the state, employees of counties, employees of municipalities, non-teaching employees of state colleges and universities, and miscellaneous employees. The remaining four members are appointed or designated by position. The Governor, General Assembly, and the Treasurer of the state of Ohio each appoint an investment expert Board member. The Director of the Ohio Department of Administrative Services completes the Board.

For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage. Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program.

The Board appoints the Executive Director, an actuary, investment consultants and other consultants necessary for the transaction of business. The Board typically meets monthly and receives no compensation but is reimbursed for necessary expenses.

All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (five years) are entitled to a future retirement benefit from OPERS. Employer, employee and retiree data as of December 31, 2020, can be found in the annual report.

Member and employer contribution rates as a percent of covered payroll for 2020 is 10% for the employee and 14% for the employer. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post- employment health care coverage. For 2020, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan and the Combined Plan.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020, measurement date health care valuation.

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

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability/asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Commission's proportion of the net OPEB liability/asset was based on the Commission's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	(OPERS)OPEB
Proportion of the Net OPEB Liability/Asset	
Current Measurement Date	0.002604%
Prior Measurement Date	0.002438%
Change in Proportionate Share	*0.000166%*
Proportionate Share of the Net	
OPEB Liability/Asset	($46,392)
OPEB Expense	($267,446)

Increase /(Decrease) in the proportionate share percentage 2020 to 2021	.000166%
Increase /(Decrease) in the proportionateshare percentage 2019 to 2020	.000129%
Increase /(Decrease) in the proportionateshare percentage 2018 to 2019	(.000011%)
Increase /(Decrease) in the proportionate share percentage 2017 to 2018	.000000%

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

At June 30, 2021, the Commission reported deferred inflows/outflows of resources related to OPEB from the following sources:

	(OPERS)OPEB
Deferred Outflows of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	17,979
Changes of assumptions	22,807
Total Deferred Outflows of Resources	$ 40,786
Deferred Inflows of Resources	
Net difference between projected and actual earnings on plan investments	$ 24,709
Changes in assumptions	75,169
Changes in proportion and differences between contributions and proportionate share of contributions	11
Differences between expected and actual experience	41,868
Total Deferred Inflows of Resources	$ 141,757

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

		2021 Deferrals
Fiscal Year Ending June 30:		
2022		$ (49,566)
2023		(37,758)
2024		(10,738)
2025		(2,909)
2026		0
	Total	$(100,971)

Actuarial Assumptions –(OPERS)OPEB

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability/asset was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

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

Key Methods and Assumptions Used in Valuation of Total OPEBLiability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2019
Rolled-Forward Measurement Date	December 31, 2020
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	2.00%
Wage Inflation	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	8.50% initial, 3.50% ultimate in 2035

Pre-retirement mortality rates are based on the RP-2014 employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above tables.

A single discount rate of 6.00% was used to measure the OPEB liability/asset on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on theactuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Basedon these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2034. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2034, the duration of the projection period through which projected health care payments are fully funded.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The following table presents the net OPEB liability/asset calculated using the single discount rate of 6.00%, and the expected net OPEB liability/asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate			
As of December 31, 2020	1% Decrease 5.0%	Single Discount Rate 6.0%	1% Increase 7.0%
Commissions' proportionate share of the Net OPEB Liability	($11,536)	($46,392)	($75,047)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability/asset. The following table presents the net OPEB liability/asset calculated using the assumed trend rates, and the expected net OPEB liability/asset if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade,but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation

Sensitivity of Net OPEB Liability/Asset to Changes in the Health Care Cost Trend Rate			
As of December 31, 2020	1% Decrease	Current Health CareCost Trend Rate Assumption	1% Increase
Commissions' proportionate share of the Net OPEB Liability/Asset	($47,523)	($46,392)	($45,127)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System'sprimary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health careinvestment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return 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 rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included inthe Health Care portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Asset Class	Target Allocation as of December 31, 2020	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.07 %
Domestic Equities	25.00	5.64
REITs	7.00	6.48
International Equities	25.00	7.36
Other Investments	9.00	4.02
TOTAL	**100.00%**	**4.43 %**

NOTE 8 – LONG-TERM OBLIGATIONS

The changes in the Commission's long-term obligations during the year consist of the following:

Governmental Activities	Principal Outstanding 7/1/2020	Additions	Reductions	Principal Outstanding 6/30/2021	Amount Due in One Year
Net Pension Liability:	$517,270	0	103,095	$414,175	$0
Net OPEB Liability:	$336,751	0	336,751	0	0
Capital Leases:	$1,246	9,236	2,289	$8,193	2,086
Total Governmental Activities	$855,267	9,236	442,135	$422,368	$2,086

Long-Term Liabilities

Net OPEB and Net Pension Liabilities:
There is no repayment schedule for the net pension liability and net OPEB liability/asset; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability/asset see Note 7 and 11.

Capital Leases:
A previous capital lease with Unifi Equipment for office equipment expired in Fiscal Year 2021. The lease terms were met and the equipment was returned to the leasing company. The Commission entered into a new lease agreement with Canon Financial for financing of office equipment in the amount of $9,236. The Commission records the lease on the balance sheet and the lease liability based on the present value of the future lease payments, with an offsetting entry to recognize a right-of-use (ROU) asset. A discount rate was used to determine the present value based on the rate implicit in the lease. As a result, beginning with FY 2021, Commission's lease liabilities and right-of-use assets are recognized on the balance sheet in other liabilities and property, plant, and equipment, respectively. The asset acquired through a capital lease is a Kyocera Copier/Printer placed in service on January 1st, 2021 with a useful life of 5 years. The terms of the lease are monthly installments for a five-year period. These expenditures are reflected as program/function expenditures on a budgetary basis.

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Governmental Activities:	
Office Furniture, Copiers	
Balance as of July 1, 2020	$ 14,946
Additions:	9,236
Balance as of June 30, 2021	24,182
Accumulated Depreciation	
Balance as of July 1, 2020	(13,700)
Current Year - depreciation expense	(2,169)
Balance as of June 30, 2021	(15,869)
Current Book Value June 30, 2021	$ 8,313

The following is a schedule of the future long-term minimum lease payments required under the capital lease and present value of the minimum lease payments is as follows:

Governmental Activities:

Year Ending June 30th	
2022	$ 2,086
2023	2,086
2024	2,086
2025	2,085
2026	1,043
Total Minimum Lease Payments	$ 9,386
Less: Interest	1,193
Present Value of Minimum Lease Payments	$8,193

NOTE 9 –DEPENDENCY

Approximately 78 percent of the Commission’s revenue is from the Federal and State Grant revenue as compared to the total agency revenue.

NOTE 10– CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 11 – 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 because of employment exchanges that already have occurred.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting.

Plan Description – Ohio Public Employers' Retirement System (OPERS)

The Commission employees participate in OPERS Traditional Pension Plan, a defined benefit plan.

The following brief description of the Ohio Public Employees Retirement System (OPERS or System) is provided for general information purposes only. Users of these schedules should refer to the *OPERS2020 Comprehensive Annual Financial Report* (annual report) and Chapter 145 of the Ohio Revised Code (OCR) for more complete information.

Organization—OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member- Directed Plan, a defined contribution plan. OPERS is a qualified governmental plan under Section 401(a) of theInternal Revenue Code (IRC). OPERS is administered in accordance with Chapter 145 of the ORC. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who stablish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The OPERS health care plans are reported as cost sharing, multiple-employer other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage.

Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A andB were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees who purchase supplemental coverage through the Connector may receive a monthly allowance in their health reimbursement arrangement (HRA) account that can be used to reimburse eligible health care expenses. Upon termination or retirement, Member-Directed Plan participants can use vested retiree medical account (RMA) funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan after July 1, 2015 will vest in the RMA over 15 years at a rate of 10% each year starting with the sixth year of participation. Members who elected the Member-Directed Plan prior to July 1, 2015 vest in the RMA over a five-year period at a rate of 20% per year. Health care coverage is neither guaranteed nor statutorily required.

OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for the HRA, as the prior trust structure, the 401(h) Health Care Trust (401(h) Trust) and the Voluntary Employees' Beneficiary Association Trust (VEBA Trust), could not legally support the HRA. In March 2016, OPERS receivedtwo favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidatehealth care assets into the 115 Trust. The 401(h) Trust was a pre-funded trust that provided healthcare funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The VEBA Trust accumulated funding for RMAs for participants in the Member- Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning 2016, the 115 Trust, established under IRC Section 115, is the funding vehicle for all health care plans.

OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the state of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees; there is no financial interdependency with the state of Ohio. The Board is the governing body of OPERS, with responsibility for administration and management. Of the Board, seven members are elected by the group they represent: the retirees (two representatives), employees of the state, employees of counties, employees of municipalities, non-teaching employees of state colleges and universities, and miscellaneous employees. The remaining four members are appointed or designated by position. The Governor, General Assembly, and the Treasurer of the state of Ohio each appoint an investment expert Board member. The Director of the Ohio Department of Administrative Services completes the Board.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Board appoints the Executive Director, an actuary, investment consultants and other consultants necessary for the transaction of business. The Board typically meets monthly and receives no compensation but is reimbursed for necessary expenses.

All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (five years) are entitled to a future retirement benefit from OPERS. Employer, employee and retiree data as of December 31, 2020 can be found in the OPERS 2020 CAFR.

Pension Benefits—All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board. Additional information on OPERS health care coverage can be found in the annual report.

- ***Age-and-Service Defined Benefits***—Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and resulted in corresponding changes to the Combined Plan. Members were impacted (to varying degrees) by the changes based on their transition group. Three transition groups (A, B and C) were designed to ease the transition for key components of the pension plan changes. Members who were eligible to retire under lawin effect prior to SB 343, or were eligible to retire no later than five years after January 7, 2013,comprise transition Group A. Members who had at least 20 years of service credit prior to January 7, 2013, or will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B. Group C included those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the Plan Statement in the annual report for additional details.

Benefits in the Traditional Pension Plan for State and Local members are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with five years of service credit or at age 55 with 25 or more years of service credit. Group C for State and Local is eligible for retirement benefits at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. 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. Refer to the age-and-service tables located in the annual report, Plan Statement for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit vests in upon receipt of the initial benefit payment.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the IRC. OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the IRS to allow OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations. Monthly QEBA payments start when the total amount of benefits received by the recipients exceeds the IRC limit each year. The portion of the benefit in excess of the IRC 415(b) limit is paid out of the QEBA and taxed as employee payroll in accordance with IRS regulations.

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

- ***Early Retirement Incentive Plan (ERIP)***—Employers under OPERS may establish an early retirement incentive plan by purchasing service credit for eligible employees. To be eligible, employees must be able to retire under existing plan provisions after the purchase of the additional credit. Electing employers must contribute all such additional costs as are actuarially determined to fund the benefit. Such a plan, if adopted by an employer, must be offered to a minimum of 5% of covered employees, and may provide for the purchase of up to five years of service credit, limited to a maximum of 20% of the member's total service credit. Members electing to participate in the employer's plan must retire within 90 days of receiving notice of the purchased service or the service is withdrawn and refunded to the employer. Employers offering an ERIP may choose to pay the full cost of the additional benefits at the time the plan is adopted or elect an installment payment plan. The required contributions are recognized in full by OPERS in the year in which the payment plan becomes effective. In addition, interest is charged annually on the unpaid balance.

- ***Disability Benefits***—OPERS administers two disability plans for participants in either the Traditional Pension Plan or Combined Plan. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992 are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed five years of total service is eligible for a disability benefit.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with five years of total service will be eligible for disability benefits until a determined age. The benefitis funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of contributions, which are not reduced by the amount of disability benefits received. Members participating in the Member-Directed Plan are not eligible for disability benefits.

- ***Survivor Benefits***—Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death.

ORC Chapter 145, updated by House Bill 520, and the corresponding Combined Plan document specify the dependents and the conditions under which they qualify for survivor benefits.

- ***Other Benefits***—Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, the member receives an annual cost-of-living adjustment.

This cost-of-living adjustment is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3%. For those retiring on or after January 7, 2013, beginning in 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3%. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member- Directed Plan participants.

- ***Money Purchase Annuity***—Age-and-service retirees who become re-employed in an OPERS- covered position must contribute the regular contribution rates, which are applied towards a money purchase annuity. The money purchase annuity calculation is based on the accumulated contributions of the retiree for the period of re-employment, and an amount of the employer contributions determined by the Board. Upon termination of service, members over the age of 65 can elect to receive a lump-sum payout or a monthly annuity. Members under age 65 may leave the funds on deposit with OPERS to receive an annuity benefit at age 65 or may elect to receive a refund of their employee contributions made during the period of re-employment, plus interest.

- ***Refunds***—Members who have terminated service in OPERS-covered employment may file an application for refund of their account. The ORC and applicable plan documents require a two- month waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's rights and benefits in OPERS.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Refunds processed for Traditional Pension Plan members include the member's accumulated contributions, interest, and any qualifying employer funds, as determined by the Board. A Combined Plan member's refund may consist of member contributions for the purchase of service plus interest, qualifying employer funds, as determined by the Board, and the value of their account in the defined contribution plan consisting of member contributions adjusted by the gains or losses incurred based on their investment selections. Refunds paid to participants in the Member-Directed Plan include member contributions and vested employer contributions adjusted by the gains or losses incurred based on their investment selections.

Contributions—The OPERS funding policy provides for periodic member and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's actuary. All contribution rates were within the limits authorized by the ORC.

Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2020. Within the TraditionalPension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance.

Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the members during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time. The annual employer contributions reported for the Traditional Pension Plan for 2020 were $1,976,105,188. Employer contributions for the Combined Plan for 2020 were $62,084,708. Employers satisfied 100% of the contribution requirements.. The annual commission required contributions reported for the Traditional Plan for June 30, 2021 were $58,089. The Commission satisfied 100% of the contribution requirements.

The following table displays the member and employer contribution rates as a percent of covered payroll for each division for 2020. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. For 22020, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Board of Trustees—Approved Contribution Rates—All Plans		
	2020 Employee Rate	2020 Employer Rate
State Division	10.0%	14.0%
Local Division	10.0	14.0
Law Enforcement Division	13.0	18.1
Public Safety Division	12.0	18.1

The member and employer contribution rates for the State and Local divisions are currently set at the maximums authorized by the ORC of 10.0% and 14.0%, respectively.

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2020, the Board adopted the contribution rates that were recommended by the actuary. The contribution rates were included in a funding policy adopted by the Board in October 2013 and are certified periodically by the Board as required by the ORC.

As of December 31, 2020, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 18 years.

Participating Employers—The System serves almost 3,700 employer units and over 3,200 participating employers. The number of employer units exceeds the number of participating employers as some employers report multiple divisions or agencies. The number of participating employers is more in-line with GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, presentation of a primary government and its component units as one employer. Employer child codes (as referenced in the Schedule of Employer Allocations) are assigned to each unit to distinguish member and employer contributions into four divisions: State, Local, Public Safety or Law Enforcement.

The plans selected by members are unknown to employers and are maintained solely by OPERS. The plan level information is essential to employers implementing GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* and any subsequent statements amending these requirements, as only defined benefit plans are subject to the new financial reporting requirements. Defined contribution and OPEB plans do not fall under the requirements of GASB 68 applicable to the reporting and disclosure regarding defined benefit net pension liabilities and associated activity. GASB 68 defines additional disclosure requirements for defined contribution plans.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/ (asset), required supplementary information on the net pension liability/ (asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2020 ACFR. This report is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

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

The net pension liability for the Traditional Plan was measured as of December 31, 2020, and the total pension liability were determined by an actuarial valuation as of that date. Refer to the following table for the balance of the Traditional Plan as of December 31, 2020. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	
Current measurement date	0.002797%
Prior measurement date	0.002617%
Change in Proportionate Share	0.000180%
Proportion of the Net Pension Liability	$414,175
Pension Expense	$ 38,487

Increase /(Decrease) in the proportionate share percentage 2020 to 2021	0.0001800%
Increase /(Decrease) in the proportionate share percentage 2019 to 2020	0.0001840%
Increase /(Decrease) in the proportionate share percentage 2018 to 2019	(0.000019)%
Increase /(Decrease) in the proportionate share percentage 2017 to 2018	(0.000203)%
Increase /(Decrease) in the proportionate share percentage 2016 to 2017	0.0001210%
Increase /(Decrease) in the proportionate share percentage 2015 to 2016	(0.000304)%

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

On June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OPERS

Deferred Outflows of Resources	
Changes in proportion and differences between contributions and proportionate share of contributions	$33,442
Commission contributions subsequent to the measurement date	29,544
Total Deferred Outflow of Resources	$ 62,986
Deferred Inflows of Resources	
Differences between expected and actual experience	$17,325
Net difference between projected and actual earnings on pension plan investments	161,433
Total Deferred Inflows of Resources	$ 178,758

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of $29,544 is reported and will be recognized as areduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		2021 Deferrals
Fiscal Year Ending June 30:		
2022		$ (43,051)
2023		(14,443)
2024		(65,806)
2025		(22,016)
2026		0
	Total	$ (145,316)

Actuarial Methods and Assumptions

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the timeof each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Key Methods and Assumptions Used in Valuation of Total Pension Liability			
Actuarial Information	**Traditional Pension Plan**	**Combined Plan**	**Member-Directed Plan**
Measurement and ValuationDate	December 31, 2020	December 31, 2020	December 31, 2020
Experience Study	5-Year Period Ended December31, 2015	5-Year Period Ended December 31, 2015	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	7.20%	7.20%	7.20%
Wage Inflation	3.25%	3.25%	3.25%
Projected Salary Increases	3.25%-10.75% (includes wageinflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)	3.25%-8.25% (includes wage inflation at 3.25%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: .50% Simple through 2021, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: .50% Simple through 2021, then 2.15% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: .50% Simple through 2021, then 2.15% Simple

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post- retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post- retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The following table presents the net pension liability or asset calculated using the discount rate of 7.2%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net Pension Liability/(Asset) to Changes in Discount Rate			
Employers' Net Pension Liability/(Asset) As of December 31, 2020	1% Decrease 6.2%	Current Discount Rate 7.2%	1% Increase 8.2%
Traditional Pension Plan	$790,041	$414,173	$101,643

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long- term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	Target Allocationas of December 31, 2020	Weighted Average Long-Term ExpectedReal Rate of Return (Arithmetic)
Fixed Income	25.00%	1.32%
Domestic Equities	21.00	5.64
Real Estate	10.00	5.39
Private Equity	12.00	10.42
International Equities	23.00	7.36
Other Investments	9.00	4.75
Total	**100.00%**	**5.43%**

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remainingservice life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2020, the average of the expected remaining service lives of all employees calculated by OPERS external actuaries for the Traditional Pension Plan was 2.5706 years, for the Combined Plan was 8.5461 years, and for the Member- Directed Plan was 10.2935 years.

NOTE 12- RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment matters, injuries to employees, and employee theft and fraud. The Commission participates in the Ohio Bureau of Workers' Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. The Commission continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have notexceeded commercial insurance coverage in any of the past 3 years, and there has been no significantreduction in insurance coverage from coverage in prior years.

NOTE 13 - COST ALLOCATION PLAN

A cost allocation plan is prepared annually by Brooke-Hancock-Jefferson Metropolitan Planning Commission. 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 authority in 2 CFR Part 200. The plan is submitted to the oversight 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 Brooke-Hancock-Jefferson Metropolitan Planning Commission adjust its provisionalrates 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, Brooke-Hancock-Jefferson Metropolitan Planning Commission must refund any over-billed amounts to the various grantor agencies. Conversely, Brooke-Hancock-Jefferson Metropolitan Planning Commission may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustmentsas 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 costs and indirect costs for FY2021:

Fringe Benefits

Fringe benefit costs are recorded in the general fund as fringe costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2021 fringe benefit costs were allocated at aprovisional rate of 70.07% of direct and indirect labor costs. The actual fringe benefit cost ratewas 63.13%. 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 programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2021 indirect costs were allocated at a provisional rate of 89.27% of direct labor costs. The actual indirect cost rate was 87.11%. Per the agreement with ODOT, the provisional rate was adjusted to actual, and the adjustment is reflected in the financial statements.

NOTE 14 - COVID 19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the Commission received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The Commission's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Schedule of Commission's Proportionate Share of the Net Pension Liability/(Asset)

The Commission's proportionate share of the Net Pension Liability of the Ohio Public Employers' Retirement System- Traditional Plan for the last seven calendar years:

	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS	2014 OPERS
Proportionate share of the net pension liability	0.002797%	0.002617%	0.002433%	0.002452%	0.002655%	0.002534%	0.002838%
Proportion of the Net Pension Liability (Asset)	$ 414,175	$ 517,268	$ 666,346	$ 384,671	$ 315,269	$ 430,414	$ 342,162
Covered Payroll	$ 393,886	$ 368,279	$ 324,278	$ 306,118	$ 359,006	$ 315,405	$ 336,722
Proportionate share of the net pension liability as a percentage of its' covered payroll	105.15%	140.46%	205.49%	125.66%	87.81%	136.46%	97.96%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%	93.80%	131.86%	86.45%

Information prior to 2014 is not available, the schedule will be built prospectively.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Schedule of Commission Pension Contributions

Commission's contributions to the Ohio Public Employers' Retirement System – Traditional Plan for seven fiscal years:

	2021 OPERS	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS
Contractually required contributions	$ 58,089	$ 51,327	$ 53,663	$ 45,323	$ 41,948	$ 47,312	$ 53,365
Contributions in relation to the contractually required contributions	$ (58,089)	$ (51,327)	$ (53,663)	$ (45,323)	$ (41,948)	$ (47,312)	$ (53,365)
Contribution deficiency/ (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commission's Covered payroll	$ 414,921	$ 366,621	$ 363,706	$ 310,935	$ 335,443	$ 326,430	$ 336,722
Contributions as a percentage of the covered payroll	14.00%	14.00%	14.75%	14.58%	12.51%	14.49%	15.85%

Information prior to 2015 is not available, the schedule will be built prospectively.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Schedule of the Commission's Proportionate Share of the Net OPEB Liability/Asset

The Commission's proportionate share of the Net OPEB Liability/asset of the Ohio Public Employers'Retirement System for the last five calendar years:

	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS
Proportionate share of the net OPEB Liability/Asset	.002604%	0.002438%	0.002309%	0.002320%	0.002320%
Proportion of the Net OPEB Liability/Asset	$ (46,392)	$ 336,751	$ 301,039	$ 251,934	$ 255,879
Covered Payroll	$ 393,886	$ 368,279	$ 324,278	$ 306,118	$ 359,006
Proportionate share of the net OPEB liability/asset as a percentage of its' covered payroll	-11.78%	91.44%	92.83%	82.30%	71.27%
Plan fiduciary net position as a percentage of the total OPEB Liability/asset	115.57%	47.80%	46.33%	54.14%	0.00%

Information prior to 2016 is not available, the schedule will be built prospectively.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

Schedule of the Commission OPEB Contributions

The Commission's contributions to the Other Post-Employment Benefits for five fiscal years:

	2021 OPERS	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS
Contractually required contributions	$ -	$ -	$ -	$ 3,482	$ 3,764
Contributions in relation to the contractually required contributions	$ -	$ -	$ -	$ (3,482)	$ (3,764)
Contribution deficiency/ (excess)	$ -	$ -	$ -	$ -	$ -
Commission's Covered payroll	$ 393,886	$ 366,621	$ 363,706	$ 310,935	$ 335,443
Contributions as a percentage of the covered payroll	0.00%	0.00%	0.00%	1.12%	1.12%

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Ohio Public Employers' Retirement System

Changes in Assumptions
Amounts reported for fiscal year 2021 incorporate changes in key methods and assumptions usedin calculating the total liability as presented below:

Investment Rate of Return:	Wage Inflation:	
Fiscal year 2016 8.00 percent	FY2016	3.75 percent
Fiscal year 2017 7.50 percent	FY2017	3.25 percent
Fiscal year 2018 7.20 percent	FY2018	no change
Fiscal year 2019 7.20 percent	FY2019	no change
Fiscal year 2020 6.00 percent	FY2020	no change

Projected Salary Increases:
Fiscal year 2016 4.25 – 10.05 percent
Fiscal year 2017 3.25 – 10.75 percent
Fiscal year 2018 no change
Fiscal year 2019 no change
Fiscal year 2020 no change

Long-Term Expected Rate of Return	2020	2019	2018	2017	2016	2015
Fixed Income	1.07%	1.83%	2.79%	2.20%	2.75%	2.31%
Domestic Equities	5.64	5.75	6.21	6.37	6.34	5.84
Real Estate	6.48	5.20	4.90	5.26	4.75	4.25
Private Equity	0.00	10.70	10.81	8.97	8.97	9.25
International Equities	7.36	7.66	7.83	7.88	7.95	7.40
Other Investments	4.02	4.98	5.50	5.26	4.92	4.59

As of December 31, 2020, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.5076 years.

Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Planand Combined Plan. Members were impacted (to varying degrees) by the changes based on their transition group. Three transition groups (A, B and C) were designed to ease the transition for key components of the pension plan changes.

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the IRC. OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the IRS to allow OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations.

For those who retired prior to January 7, 2013, current law provides for a 3% cost-of-living adjustment. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector and may be eligible for monthly allowances depositedto an HRA to be used for reimbursement of eligible health care expenses.

Ohio Public Employers' Retirement System – Other Post-Employment Benefits

For fiscal year 2018, the Commission adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursementarrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust.

Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector).

OPERS participated in federal programs that subsidized or provided reimbursements to the 115 Trust. Retiree Drug Subsidy (RDS) is a voluntary federal program that reimburses 28% of the cost of prescription drugs for Medicare beneficiaries in the United States. OPERS continues to participate in the RDS program with minimal subsidy generated primarily from Medicare-eligible participants who are re-employed and enrolled in the OPERS Medicare Secondary Plan and the Commercial prescription drug plan. Beginning 2017, health care-related receipts are netted against expenses included in the Benefits line item in the Combining Statement of Changes in Fiduciary Net Position.

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero in 2020. The 2021 allocation is expected to be 0.0% for health care fundingand expected to continue at that rate thereafter.

This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.0%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate.

GASB 75 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in OPEB expense over the average remaining service life of all employees provided with coverage through the health care plans (active and inactive). As of December 31, 2020, the average of the expected remaining service lives of allemployees calculated by our external actuaries was 2.6345 years.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2021

	Budget FY 2021	Actual FY 2021	Difference(Over) Under Budget
Wages paid for time worked:			
Direct labor	$ 272,804	$ 277,381	$ (4,577)
Indirect labor	82,734	88,721	(5,987)
TOTAL LABOR – BASE FOR FRING ALLOCATION	$355,538	$ 366,102	$ (10,564)
Fringe Benefits			
Annual / Vacation	$ 22,661	$ 22,678	$ (17)
Sick leave	9,216	7,837	1,379
Holiday	19,355	22,260	(2,905)
Other leave	1,843	0	1,843
Subtotal Fringe Benefit Wages	53,075	52,775	300
Other Fringe Benefits			
Medicare	$ 5,925	$ 6,074	$ (149)
Employment services	272	718	(445)
Life	962	969	(7)
Hospitalization	125,444	114,780	10,664
OPERS	58,733	53,911	4,822
Vision / Dental / Wellness	4,300	3,110	1,190
Workers' Compensation	409	(1,225)	1,634
Subtotal Other Fringe Benefits	196,045	178,337	17,709
TOTAL FRINGE BENEFITS	$ 249,120	$ 231,112	$ 18,009
Indirect Costs			
Salaries – indirect only	$82,734	$ 88,721	$ (5,987)
Fringe benefits for indirect salaries	57,970	56,010	1,960
Travel Expenses	3,000	105	2,895
Equipment - Expensed	5,000	371	4,629
Indirect - Depreciation Expense	4,119	4,111	8
Computer and Internet Repairs Exp	2,600	2,999	(399)
Supplies & Materials	5,500	4,095	1,405
Copier Expense	300	342	(42)
Legal Expense	200	193	7
Financial Consultant & Publications Exp	2,580	1,630	950
Audit Expense	12,500	197	12,303
Software & Training	3,000	3,343	(343)
Rent Expense	36,000	36,000	-
Publications Expense	300	278	22
Postage Expense	1,000	713	287
Telephone Expense	2,000	2,144	(144)
Membership Expense	500	507	(7)
Advertising Exp	500	0	500
Insurance Expense	4,000	3,647	353
Miscellaneous Expenses	650	802	(152)
TOTAL INDIRECT COSTS	$ 224,453	$ 206,208	$ 18,245

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF RATES
FRINGE, INDIRECT & COMBINED RATES 1998 TO 2021

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	(11)%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	23%
2004	0.7020	1.2558	1.9578	(7)%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.6620	1.1954	1.8574	(13)%
2008	0.6314	1.2770	1.9084	3%
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	(11)%
2012	0.7030	1.1899	1.8929	1%
2013	0.7430	1.3117	2.0547	10%
2014	0.6304	1.2932	1.9236	2%
2015	0.6409	1.2359	1.8768	(9)%
2016	0.6364	1.1237	1.7601	(6)%
2017	0.7188	1.0995	1.8183	3%
2018	0.7215	0.9787	1.7002	(7)%
2019	0.6921	0.7834	1.4755	(13)%
2020	0.7025	0.8711	1.5736	9%
2021	0.7007	0.8228	1.5235	(3%)
2022 projected	0.6661	0.7760	1.4422	(5%)

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2020 TO 2021

	2020	2021	change	% change
TOTAL INDIRECT COSTS	**$223,855**	**$206,208**	**($17,647)**	**-7.88%**
Personnel	88,066	88,721	655	0.74%
Fringe Benefits	61,866	56,010	(5,856)	-9.47%
Advertising	41	0	(41)	-100.00%
Audit Services	15,155	197	(14,958)	-98.70%
Computer / Internet Repairs	1,774	2,999	1,225	69.05%
Depreciation	2,989	3,115	126	4.22%
Equipment Cost	1,652	1,709	57	3.45%
Financial Consultant / Publications	986	1,630	644	65.31%
Insurance	3,621	3,647	26	0.72%
Membership	455	507	52	11.43%
Miscellaneous	833	995	162	19.45%
Postage	819	713	(106)	-12.94%
Publications	250	278	28	11.20%
Rent	36,000	36,000	0	0.00%
Software / Training	1,401	3,343	1,942	138.62%
Supplies	5,129	4,095	(1,034)	-20.16%
Telephone	1,841	2,144	303	16.46%
Travel	977	105	(872)	-89.25%
INDIRECT COST RATE	**87.11%**	**63.13%**	**-23.98%**	**-27.53%**

	2020	2021	change	% change
TOTAL FRINGE BENEFITS	**$245,492**	**$231,112**	**($14,380)**	**-43.34%**
Salary Benefits	47,489	52,775	5,286	11.13%
Payroll Benefits	9,056	5,567	(3,489)	-38.53%
Health Insurance	129,223	114,780	(14,443)	-11.18%
Ohio PERS	56,607	53,911	(2,696)	-4.76%
Miscellaneous Fringe Benefits	3,117	4,079	962	30.86%
FRINGE BENEFIT RATE	**69.21%**	**63.13%**	**-6.08%**	**-8.78%**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2021

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	$ 88,721	$ 74	$ 88,795
Fringe benefits	56,010	48	56,058
Travel	105		105
Equipment costs	7,823	183	8,006
Supplies	4,095	140	4,235
Dues and publications	2,415		2,415
Audit and personal service contracts	197	11,450	11,647
Software/Training Expense	3,343		3,343
Rent	36,000		36,000
Postage	713		713
Telephone	2,144		2,144
Insurance	3,647		3.647
Other	995	3,808	4,803
Total, Government-Wide Level	$ 206,208	$15,703	$ 221,911
Depreciation			(3,115)
Total, Fund Level			$ 218,796

INDIRECT COST RATE COMPUTATION

Total Indirect Costs	206,208 =	74.34%
Direct Personnel Costs	277,381	

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2021

Salary benefits		$ 52,775
Payroll benefits:		
Medicare	6,074	
Unemployment insurance	717	
Workers' Compensation	(1,224)	
		$ 5,567
Other benefits:		
Health insurance	114,780	
Life insurance	969	
Dental/Vision/Wellness	3,110	
Ohio PERS	53,911	
		$ 172,770
Total fringe benefits		$ 231,112

FRINGE BENEFIT RATE COMPUTATION

TOTAL FRINGE BENEFITS	$ 231,112	
TOTAL PERSONNEL COSTS	$ 366,103 =	63.13%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2021

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Indirect	Other	Total
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	63,659	7,957	7,957	79,573	31,730	20,031	23,588	4,224	79,573
Ohio Department of Trans. -Toll Credit	21,721	-	-	21,721	8,371	5,285	6,223	1,842	21,721
OH Short Range	10,735	1,342	1,342	13,419	5,634	3,556	4,188	41	13,419
OH TIP	9,312	1,164	1,164	11,640	4,559	2,878	3,388	815	11,640
OH Surveillance	43,575	5,445	5,446	54,466	21,349	13,477	15,870	3,770	54,466
WV Department of Transportation	38,629	4,828	4,829	48,286	18,887	11,924	14,041	3,434	48,286
WV Short Range	8,430	1,054	1,054	10,538	4,424	2,793	3,290	31	10,538
WV TIP	7,313	914	914	9,141	3,579	2260	2,663	639	9,141
WV Surveillance	34,219	4,279	4,279	42,777	16,765	10,585	12,465	2,962	42,777
Ohio Long Range Finance Element									
Ohio Department of Transportation	10,938	1,367	1,367	13,672	5,468	3,451	4,062	691	13,672
WV Department of Transportation	8,590	1,074	1,074	10,738	4,292	2,710	3,193	543	10,738
Ohio Rideshare									
Ohio Department of Transportation	1,465	-	-	1,465	399	252	295	519	1,465
Federal Transit Administration									
Transit Technical Studies: CPG Transit Planning									
Ohio Department of Transportation	10,931	1,366	1,366	13,663	5,739	3,623	4,265	36	13,663
Ohio Department of Trans.-Toll Credit	49,973			49,973	2,017	1,274	1,499	45,183	49,973
WV Department of Transportation	7,380	876	917	9,173	3,853	2,432	2,864	24	9,173
Appalachian Regional Commission									
Appalachian Local Development District									
07/01/2020 - 12/31/2020	25,212	18,694	9,329	53,235	18,348	12,811	14,958	7,118	53,235
01/01/2021 - 06/30/2021	19,463	16,307	346	36,116	14,703	8,054	9,611	3,748	36,116
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	70,000	-	70,000	140,000	23,289	14,703	17,313	84,695	140,00
Economic Adjustment Assistance Program									
Brooke County Sewer Study	-	-	120	120	51	32	37	-	120
EDA Cares Act	144,303			144,303	58,525	36,947	43,506	5,325	144,303

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2021

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
U. S. Environmental Protection Agency									
Brownsfield 10/2017 to 9/2020	1,031	-	2,256	3,287	1,373	867	1,021	26	3,287
Brownsfield 7/2020 to 9/2023	5,679	-	-	5,679	1,294	817	961	2,607	5,679
U. S. Department of Agriculture									
Rural Business Development Grant	42,720	-	1,828	44,548	848	535	631	42,534	44,548
Projects and Programs									
Brooke County Broadband			283	283	119	75	89	-	283
WV Broadband Support			5,999	5,999	2,526	1,595	1,878		5,999
FEMA Pioneer Trail			891	891	375	237	279		891
FEMA Wellsburg Storm Sewer			1,789	1,789	753	475	561		1,789
FEMA Beech Bottom Storm Sewer			1,394	1,394	587	371	436		1,394
Brooke County Income Survey			98	98				98	98
Hammond Water Improvement			345	345	145	92	108		345
Follansbee Water			4,046	4,046	1,704	1,076	1,266		4,046
Follansbee Sewer			3,343	3,343	1,408	889	1,046		3,343
Tomlinson Water			3,713	3,713	1,448	914	1,077	274	3,713
Wellsburg Water			6,120	6,120	2,577	1,627	1,916		6,120
Brooke Co. Sewer IIC			719	719	303	191	225		719
Washington Pike PSD Water			2,713	2,713	1,143	721	849		2,713
Weirton Sewer Capacity			3,070	3,070	1,293	816	961		3,070
Weirton Water Capacity			4,577	4,577	1,927	1,217	1,433		4,577
New Cumberland Sewer			2,786	2,786	1,173	741	872		2,786
New Cumberland Water			2,292	2,292	965	609	718		2,292
BDC – Brownsfield Coalition			570	570	241	152	177		570
BDC (2) – Brownsfield Coalition			7,482	7,482	3,121	1,971	2,321	69	7,482
TOTALS	**635,278**	**66,667**	**167,818**	**869,763**	**277,305**	**175,066**	**206,144**	**211,248**	**869,763**

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2021

BASIS OF PRESENTATION

The accompanying Schedule of Contract Revenues and Expenditures reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs for the year ended June 30, 2021. The Schedule has been prepared in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

OHIO AUDITOR OF STATE
KEITH FABER

88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
124 North Fourth Street, 2nd Floor
Steubenville, Ohio 43952

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 the major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, (the Commission) as of and for the year ended June 30, 2021, 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 28, 2022. We noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Commission.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Keith Faber
Auditor of State
Columbus, Ohio

February 28, 2022

OHIO AUDITOR OF STATE
KEITH FABER

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 3/29/2022

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