BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

Single Audit

For the Year Ended June 30, 2022

CEH Charles E. Harris & Associates, Inc.
CPAs and Government Consultants

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N 4th St, Second Floor
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2021 through June 30, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

Keith Faber
Auditor of State
Columbus, Ohio

March 21, 2023

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Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
124 N 4th St, Second Floor
Steubenville, Ohio 43952

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission as of June 30, 2022, 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.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 14 to the financial statements, the financial impact of COVID-19 and ensuing emergency measures will impact subsequent periods of the Commission. As discussed in Note 1 to the financial statements, the Commission adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. We did not modify our opinion regarding these matters.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements.

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

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

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the Budget Comparison, Schedule of Rates Fringe, Indirect and Combined Rates 1998 to 2022, Schedule of Indirect and Fringe Comparison 2021 to 2022, 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 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Charles E Harris & Associates

Charles E. Harris & Associates, Inc.
January 18, 2023

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2022
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 our programs 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 2022, 82% of the Commission's revenues were generated through federal and state grants. In 2022, 35% of those funds were allocated to transportation; 4% allocated to transit studies and capital planning; 18% allocated to environmental protection agency; 33% allocated to economic development and 9% 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 21 to FY 22 Comparisons

- Total net 2022 position (i.e., total assets and deferred outflow of resources minus total liabilities and deferred inflows of resources) increased 42.78% from 2021.
- 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 2022 would have had the highest net position in the amount of $277,894.
- Revenue in 2022 increased by $260,798 over the previous year. The change was largely due to the Environmental Protection Agency Brownsfield Coalition Grant and various economic development programs.
- Expenses in 2022, driven by the above revenue generation, increased 71.43 %.
- Actual Indirect Costs in 2022 were 9% higher when compared to 2021 thereby decreasing the indirect cost rate by .49%. Total Fringe Benefits were $35,664 higher in 2022 amounting to a 5% 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, 2022, except for the Net Pension Liability and Right-to-Use Leases.

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 pension costs 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 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 contribution rates 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. The Ohio 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.

Leases

For 2022, the Commission adopted GASB 87 (Leases) which changes the classification of operating leases to lease assets and liabilities. The Commission recognizes a lease liability and a lease asset at the commencement of the lease term unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The Commission reduces the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Capital Assets

Computers, Office Furniture, and Traffic Count Equipment	
Balance as of July 1, 2021	$ 134,179
Additions:	947
Deletions:	(9,236)
Balance as of June 30, 2022	125,890
Accumulated Depreciation	
Balance as of July 1, 2021	(121,175)
Current Year - depreciation expense	(2,474)
Deletions:	924
Balance as of June 30, 2022	(122,725)
Net Capital Assets June 30, 2022	**$ 3,065**

Right of Use Assets

Computers, Office Space and Copiers	
Balance as of July 1, 2021	$ 9,236
Additions:	138,386
Balance as of June 30, 2022	147,622
Accumulated Depreciation	
Balance as of July 1, 2021	(924)
Current Year - depreciation expense	(32,750)
Balance as of June 30, 2022	(33,674)
Net Right-of-Use Assets June 30, 2022	**$ (113,948)**

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 14. The General Fund had total revenues of $1,162,112 and total expenditures of $1,280,476, total financing resources of $138,386. The fund balance increased by $20,022.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2022
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 there are 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 and Statement of Activities for the year ended June 30, 2022. 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 2nd Floor, Steubenville, Ohio 43952).

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
(MD&A) YEAR ENDED JUNE 30, 2022
Unaudited

STATEMENT OF NET POSITION

	2021	2022	Change
Assets			
Current and Other Assets	$ 301,004	$ 311,071	$ 10,067
Long Term Assets:			
Net Other Post-Employment Benefits Asset	46,392	88,359	41,967
Capital Asset, net	12,904	3,065	(9,839)
Right to Use Asset, net		113,949	113,949
Total Assets	360,300	516,444	156,144
Deferred Outflow of Resources			
Other Post-Employment Benefits	40,786	9,087	(31,699)
Pension Benefits	62,986	109,837	46,851
Total Deferred Outflow of Resources	103,772	118,924	15,152
Liabilities			
Current and Other Liabilities	54,037	71,974	17,937
Long Term Liabilities:			
Due in More Than One Year			
Lease Liabilities	6,107	78,218	72,111
Net Pension Benefits Liability	414,175	263,710	(150,465)
Total Liabilities	474,319	413,902	(60,417)
Deferred Inflows of Resources			
Other Post-Employment Benefits	141,757	91,293	(50,464)
Pension Benefits	178,758	319,457	140,699
Total Deferred Inflows of Resources	320,515	410,750	90,235
Net Position			
Net Investment in Capital Assets	4,711	3,506	(1,205)
Unrestricted	(335,473)	(192,790)	142,683
Total Net Position	$ (330,762)	$ (189,284)	$ 141,478

CHANGES IN NET POSITION - GOVERNMENT-WIDE ACTIVITIES

	2021	2022	Change
Revenue			
Program Revenue			
Operating Grants and Contributions	$ 672,328	$ 928,620	$ 256,292
General Revenues			
Per Capita Dues	105,535	105,486	(49)
West Virginia Development Office	35,000	35,000	0
Miscellaneous	93,658	98,213	4,555
Total Revenues	906,521	1,167,319	260,798
Expenses			
Transportation Planning	218,421	336,755	118,334
Transit Studies	50,100	37,918	(12,182)
Community Development	68,673	96,692	28,019
Environmental Protection	34,916	207,192	172,276
Economic Development	226,359	347,391	121,032
Total Expenses	598,469	1,025,948	427,479
Changes in Net Position	308,052	141,371	(166,681)
Beginning Net Position - 2022 restated	(638,814)	(330,655)	308,159
Ending Net Position	$(330,762)	$(189,284)	$141,478

FUNCTIONAL EXPENSES

	Total Cost of Services		Net Cost of Services	
	2022	**2021**	**2022**	**2021**
Programs				
Transportation Planning	$ 336,755	$ 218,421	$ 2,053	$ 69,588
Transit Studies	37,918	50,100	2,155	20,428
Community Development	96,692	68,673	(36,006)	(18,615)
Environmental Protection	207,192	34,916	(32,023)	(28,206)
Economic Development	347,391	226,359	(33,507)	30,664
Total Expenses	**$ 1,025,948**	**$ 598,469**	**$ (97,328)**	**$ 73,859**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
GOVERNMENT-WIDE ACTIVIES
JUNE 30, 2022

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	133,565
Accounts receivable		33,356
Grants and contributions receivable		122,215
Prepaids		21,935
LONG-TERM ASSETS		
Net other post-employment benefits		88,359
CAPITAL ASSETS		
Property, plant, and equipment, net of accumulated depreciation		117,014
Total assets		516,444
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension		109,837
Deferred outflows of resources - other post-employment benefits		9,087
Total deferred outflows of resources		118,924
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$**	**635,368**
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$	28,513
Accrued payroll		5,198
Accrued and withheld payroll taxes		1,205
Accrued and withheld employee benefits		1,768
Building Lease		33,501
Copier Lease		1,789
LONG-TERM LIABILITIES		
Net pension liability		263,710
Building Lease		73,329
Copier Lease		4,889
Total liabilities		413,902
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension		319,457
Deferred inflows of resources - other post-employment benefits		91,293
Total deferred inflows of resources		410,750
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$**	**824,652**
NET POSITION		
Net Investment in Capital Assets	$	3,506
Unrestricted (Deficit)		(192,790)
TOTAL NET POSITION	**$**	**(189,284)**

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, 2022

FUNCTIONS/PROGRAMS

Government-Wide	Direct Expenses	Indirect Expenses	Grants and Contributions	Activities
Primary Government-Wide:				
Transportation planning	$ 230,373	$ 106,382	$ 338,808	$ 2,053
Transit studies and capital planning	30,998	6,920	40,073	2,155
Community development projects	67,264	29,428	60,686	(36,006)
Environmental protection projects	188,363	18,829	175,169	(32,023)
Economic development projects	285,521	61,870	313,884	(33,507)
Total Primary Government-Wide	$ 802,519	$ 223,429	$ 928,620	$ (97,328)

General Government-Wide Revenues:	
Miscellaneous	44,389
Per Capita revenues	105,486
Administrative Revenues	53,824
West Virginia Development Office	35,000
Total General Government-Wide Revenues	238,699
CHANGES IN NET POSITION	141,371
NET POSITION, BEGINNING OF YEAR- Restated (See Note 15)	(330,655)
NET POSITION, ENDING	**$ (189,284)**

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND BALANCE SHEET
JUNE 30, 2022

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$133,565
Accounts receivable	33,356
Grants receivable	122,215
Prepaids	21,935
TOTAL CURRENT ASSETS	**$ 311,071**

LIABILITIES AND FUND BALANCE

CURRENT LIABILITIES	
Accounts payable	$28,513
Accrued and withheld employee benefits	1,768
Accrued payroll	5,198
Accrued and withheld payroll taxes	1,205
Unearned Revenue	10,588
TOTAL CURRENT LIABILITIES	**$ 47,272**
FUND BALANCE	
Non-spendable	$21,935
Unassigned	241,864
TOTAL FUND BALANCE	**$ 263,799**
TOTAL LIABILITIES AND FUND BALANCE	**$ 311,071**

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, 2022

General Fund Balance	$ 263,799
Amounts reported for government-wide activities in the statement of net position are different because:	
Capital assets of $125,790 net of accumulated depreciation of $(122,726) are not financial resources and therefore, are not reported in the fund.	3,065
Lease Right to Use assets of $147,622 net of accumulated depreciation of $(33,673) are not financial resources and therefore, are not reported in the fund.	113,949
Lease and lease interest liabilities of $146,765 net of payments of $(33,256) are not financial resources and therefore, are not reported in the fund.	(113,508)
Deferred Inflows - Revenues are resources received for a future period and are not financial resources. Therefore, they are not reported in the fund.	10,588
Net OPEB asset of $88,359 plus deferred outflow less net deferred inflows/outflows of OPEB are not financial resources and therefore, are not reported in the fund.	6,153
Net Pension liability of $263,710 less deferred outflow plus deferred inflows/outflows of Pension are not financial resources and therefore, are not reported in the fund.	(473,330)
Net Position of Government-wide Agency	$ (189,284)

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, 2022

		General Fund
REVENUES		
Current		
Federal grants and projects	$872,616	
State financial assistance	85,797	
Per capita dues	105,486	
Administrative revenues	53,824	
Local assistance	44,389	
Total current revenues		$1,162,112
EXPENDITURES		
Current		
Transportation planning	420,315	
Transit studies and capital planning	47,323	
Community development projects	120,678	
Environmental protection projects	258,591	
Economic development projects	433,569	
Total current expenditures		1,280,476
OTHER FINANCING RESOURCES		
Lease Proceeds	138,386	
Total other financing activities		138,386
NET CHANGES IN FUND BALANCE		20,022
GENERAL FUND BALANCE, BEGINNING- Restated (See Note 15)		243,777
GENERAL FUND BALANCE, ENDING		$263,799

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, 2022

Net Change in Fund Balances - General Fund	$ 20,022
Amounts reported for government-wide agency in the statement of activities are different because:	
Unearned revenue received but not yet earned, do not provide current financial resources.	5,206
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.	104,109
This is the amount of debt payments in the current period.	33,071
Lease proceeds provide current financial resources	(138,386)
Pension expense reported in the Government-wide Statement of Activities that are not financial	82,752
Pension contributions subsequent to the measurement date reported as deferred outflows.	(26,135)
OPEB expense reported in the Government-wide Statement of Activities that are not financial resources	60,732
Change in Net Position of Government-wide Agency	$ 141,371

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, 2022

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 aspecific 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.

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 fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

<u>Fund Accounting</u> – 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.

<u>Revenues – Non-Exchange Transactions</u> – 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 to the 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.

<u>Expenses/Expenditures</u> – 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.

<u>Capital Assets</u> – 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.

Intangible Right-to-use Lease – buildings are stated at present value of future payments and are amortized on the straight-line method over their estimated useful lives. Buildings are recorded at historical cost on the date of conveyance. Upon the completion/termination of the lease agreement of the building, the cost and related amortization are removed from the accounts.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description	Estimated Lives
Equipment	5 to 15 years
Intangible Right to Use Lease	3 years

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. The Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the general fund.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Allocation of Employee Benefits and Indirect Cost –The Commission's Employee Benefits and Indirect Costs 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 through the acceptance of the Overall Work Program (OWP). 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, unavailable 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 unavailable and/or unearned revenues (if any) 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. For fiscal year 2022, the Commission implemented the Governmental Accounting Standards Board's (GASB) Implementation Guide No. 2019-1. These changes were incorporated in the Commission's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

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 implemented GASB 87 for fiscal year 2022 which resulted in a change in the beginning net position.

NOTE 2 - DEPOSITS AND INVESTMENTS

Cash deposits and cash on hand consist of the following on June 30,2022:

	Carrying Balance	Bank Balance
PNC	$ 133,415	$179,434
Petty Cash	150	-
Total cash deposits and cash on hand	$ 133,565	$ 179,434

The Commission's funds at PNC Bank are insured up to the FDIC limit on June 30, 2022, and the Commission's balances were not in excess of the FDIC prescribed insured limits.

NOTE 3- CAPITAL AND RIGHT-TO-USE ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2022 is as follows:

Capital Assets	
Computers, Office Furniture, and Traffic Count Equipment	
Balance as of July 1, 2021	$ 134,079
Additions:	947
Deletions:	(9,236)
Balance as of June 30, 2022	125,790
Accumulated Depreciation	
Balance as of July 1, 2021	(121,175)
Current Year - depreciation expense	(2,474)
Deletions:	924
Balance as of June 30, 2022	(122,725)
Net Capital Assets June 30, 2022	**$ 3,065**

NOTE 3- CAPITAL AND RIGHT-TO-USE ASSETS (CONTINUED)

Right of Use Assets

Computers, Office Space and Copiers	
Balance as of July 1, 2021	$ 9,236
Additions	138,386
Balance as of June 30, 2022	147,622
Accumulated Depreciation	
Balance as of July 1, 2021	(924)
Current Year - depreciation expense	(32,750)
Balance as of June 30, 2022	(33,674)
Net Right of Use Assets June 30, 2022	**$ (113,948)**

Direct and Indirect depreciation expense for the period ending June 30, 2022, included in the Government-wide expenses consist of the following:

Transportation planning	$ 12,185
Transit studies and capital planning	1,268
Community development projects	3,232
Environmental protection projects	6,926
Economic development projects	11,613
Total	$ 35,224

NOTE 4 - GRANTS RECEIVABLE

Grants receivable of $122,215 is comprised of amounts due from the following governmental entities on June 30, 2022:

WV Department of Transportation – FHWA (Federal)	$ 19,686
WV Department of Transportation – FHWA (State)	2,461
WV Department of Transportation – FTA Transit (Federal)	(51)
WV Department of Transportation – FTA Transit (State)	(6)
Ohio Department of Transportation – FHWA (Federal)	30,955
Ohio Department of Transportation – FHWA (State)	3,869
Ohio Department of Transportation – FTA Transit (Federal)	1,236
Ohio Department of Transportation – FTA Transit (State)	155
Ohio Department of Transportation – FTA STP Transit	320
Ohio Department of Transportation – STP	57
EPA – Brownsfield Assessment Grant – BHJ Coalition	40,634
Economic Development – Cares Act	22,900
Total grants receivable	**$ 122,215**

NOTE 5 - UNEARNED REVENUE – GENERAL FUND

Deferred Inflows of Resources represents unearned revenues from non-exchange transactions on June 30, 2022:

ARC Calendar Year 2022	$ 10,588
Total Unearned Revenue – General Fund	$ 10,588

NOTE 6 - LINE OF CREDIT

The Commission entered into a $10,000 line of credit agreement with PNC Bank in previous years. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was not renewed on May 30, 2022. There were no draws or payments associated with this loan during the fiscal year. No balance was outstanding at the time of closing.

NOTE 7 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS

Net OPEB Asset

The net OPEB asset reported on the statement of net position represents an 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.

The 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 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 asset calculation isdependent 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 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 Ohio revised 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 asset. Resulting adjustments to the net OPEB 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.

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

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

Plan Description – Ohio Public Employees Retirement System

The Commission's employees participate in the OPERS of Ohio which 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. All of the Commission's members have elected membership in the Traditional Plan.

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.

The ORC permits, but does not require, OPERS to offer post- employment health care coverage. The ORC allows a portion of the employers' contributions to be used to fund health care coverage.

No employer contributions were allocated to health care in 2022 for the Traditional Pension Plan or the Combined Plan. Interest is credited to member accounts based on the investment performance of the OPERS Stable Value Fund, not to exceed 4.0%. Total employer contributions were $0 for the year. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. No Contributions were required from the Commission for the Traditional Plan.

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

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB asset and total OPEB asset for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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 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 Asset	
Current Measurement Date	0.002821%
Prior Measurement Date	0.002604%
Change in Proportionate Share	*0.000217%*
Proportionate Share of the Net	
OPEB Asset	($88,359)
OPEB Expense	($60,732)

On June 30, 2022, 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	$ 9,087
Total Deferred Outflows of Resources	$ 9,087
Deferred Inflows of Resources	
Net difference between projected and actual earnings on plan investments	$ 42,123
Changes in assumptions	35,767
Differences between expected and actual experience	13,403
Total Deferred Inflows of Resources	$ 91,293

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

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

	2022 Deferrals
Fiscal Year Ending June 30:	
2023	$ (48,630)
2024	(18,323)
2025	(9,204)
2026	(6,049)
Total	$ (82,206)

Actuarial Assumptions

The actuarial valuation used the following key actuarial assumptions and methods, reflecting experience study results, 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 OPEB Liability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2020
Rolled-Forward Measurement Date	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	6.00%
Investment Rate of Return	6.00%
Municipal Bond Rate	1.84%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2034

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

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

A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

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's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
REITs	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other Investments	7.00	1.93
TOTAL	**100.00%**	**3.45%**

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.3% for 2021.

The following table presents the net OPEB asset calculated using the single discount rate of 6.00%, and the expected net OPEB 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 OPEB Asset to Changes in the Discount Rate			
As of June 30, 2022	1% Decrease 5.00%	Single Discount Rate 6.00%	1% Increase 7.00%
Commissions' share of Net OPEB Asset	($51,963)	($88,359)	($118,567)

Changes in the health care cost trend rate may also have a significant impact on the net OPEB asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB 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.

Sensitivity of Net OPEB Asset to Changes in the Health Care Cost Trend Rate			
As of June 30, 2022	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Employers' Net OPEB Asset	($89,313)	($88,359)	($87,225)

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 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

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

Additional Financial and Actuarial Information

Additional information supporting the preparation of the Schedules of Collective OPEB Amounts and Employer Allocations (including the disclosure of the net OPEB liability or asset, required supplementary information on the net OPEB liability or asset, and the unmodified audit opinion on the combined financial statements) is located in the *OPERS 2021 Annual Comprehensive Financial Report*. This report is available at opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

NOTE 8 – LONG-TERM OBLIGATIONS

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

Government-wide Activities	Principal Outstanding 7/1/2021	Additions	Reductions	Principal Outstanding 6/30/2022	Amount Due in One Year
Net Pension Liability:	$414,175	0	150,465	263,710	$0
ROU Leases:	8,193	138,386	33,071	113,508	35,290
Total Governmental Activities	$422,368	138,386	183,536	377,218	$ 35,290

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.

Leases:
In prior years and the current year, the Commission entered into two lease agreements. The first one is with Canon Financial for financing of office equipment in the amount of $9,236. The asset acquired through a right of use 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. The second is with RCVV, Inc. for the leasing of office space in the amount of $3,250 each month. The Commission records the leases 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.

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in capital leases/right of use assets for the fiscal year ended June 30, 2022 is as follows:

Canon Financial Lease Balance of July 1, 2021	$ 8,193
Additions:	
Right of Use – Office Lease	138,386
Prior-Year Beginning Balance Adjustment- Canon Financial Lease	186
Deletions:	
Payments on Canon Financial Lease	(1,702)
Payments on Office Lease	(31,555)
Balance June 30, 2022	$ 113,508

Amounts reported for right of use lease payments to be recognized over the next four years:

Year Ending June 30th	Principal	Interest
2023	$35,291	$ 5,795
2024	37,450	3,636
2025	39,741	1,345
2026	1,028	16
Total Lease Payments	$113,508	$ 10,792

NOTE 9 –DEPENDENCY

Approximately 83 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. As a result, 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.

The Ohio Revised Code limits the Commission's obligation for this liability to annually required payments. The Commission cannot control benefit terms or the manner in which pensions 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. Any liability for the contractually required pension contribution outstanding at the end of the year is included in accrued personnel costs on both the accrual and modified accrual basis of accounting.

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

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

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. 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. OPERS provide retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and 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 law in 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 amount of a member's pension benefit vests upon receipt of the initial benefit payment.

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, the member is eligible for 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%.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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 2022 were $61,589.

The following table displays the member and employer contribution rates as a percent of covered payroll for each division for 2022. 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 2022, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. 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.

Board of Trustees-Approved Contribution Rates-All Plans		
	2022 Member Rate	2022 Employer Rate
Local Division	10.0	14.0

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2021, 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, 2021, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 16 years.

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, 2021, and the total pension liability were determined by an actuarial valuation as of that date. 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.

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

	OPERS
Proportion of the Net Pension Liability	
Current measurement date	0.003031%
Prior measurement date	0.002797%
Change in Proportionate Share	0.000234%
Proportion of the Net Pension Liability	$263,710
Pension Expense	$ 1,543

On June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

OPERS

Deferred Outflows of Resources	
Differences between expected and actual experience	$13,444
Changes in assumptions	32,977
Changes in proportion and differences between contributions and proportionate share of contributions	37,301
Commission contributions subsequent to the measurement date	26,115
Total Deferred Outflow of Resources	$ 109,837
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 5,784
Net difference between projected and actual earnings on pension plan investments	313,673
Total Deferred Inflows of Resources	$ 319,457

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of $26,115 is reported and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

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

	2022 Deferrals
Fiscal Year Ending June 30:	
2023	$ (12,492)
2024	(99,588)
2025	(73,757)
2026	(49,898)
Total	$ (235,735)

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial 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 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 benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The total pension liability was determined by an actuarial valuation as of December 31, 2021, 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.

In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2% down to 6.9%, for the defined benefit investments.

Key actuarial assumptions and methods used in the latest actuarial valuation, reflecting experience study results, are presented below:

Key Methods and Assumptions Used in Valuation of Total Pension Liability			
Actuarial Information	Traditional Pension Plan	Combined Plan	Member-Directed Plan
Measurement and Valuation Date	December 31, 2021	December 31, 2021	December 31, 2021
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age	Individual entry age
Actuarial Assumptions			
Investment Rate of Return	6.90%	6.90%	6.90%
Wage Inflation	2.75%	2.75%	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)	2.75%-8.25% (includes wage inflation at 2.75%)	2.75%-8.25% (includes wage inflation at 2.75%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2022, then 2.05% Simple

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The discount rate used to measure the total pension liability was 6.9% 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.

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.

For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation as of December 31, 2021	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
TOTAL	**100.00%**	**4.21%**

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 15.3% for 2021.

The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, 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, 2021	1% Decrease 5.9%	Current Discount Rate 6.9%	1% Increase 7.9%
Traditional Pension Plan	$695,281	$263,710	($95,416)

Additional Financial and Actuarial Information

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 the *OPERS 2021 Annual Comprehensive Financial Report*. This report is available at opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

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 unemploymentcoverage. 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 not exceeded 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. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2022:

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 FY2022 fringe benefit costs were allocated at a provisional rate of 66.61% of direct and indirect labor costs. The actual fringe benefit cost rate was 68.17%. 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 FY2022 indirect costs were allocated at a provisional rate of 77.60% of direct labor costs. The actual indirect cost rate was 73.85%. 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 2020 due to the COVID-19 pandemic. The fiscal impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Commission. The impact on the Commission’s future operating costs, revenues, 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.

NOTE 15 - RESTATEMENT OF BEGINNING BALANCES

The requirements of GASB 87 are effective for fiscal years beginning after June 15, 2021. The Commission has implemented GASB 87 for fiscal year 2022 which resulted in a change in the beginning net position and beginning fund balance.

Difference in actual beginning balance recorded for copier at the beginning of the fiscal year and the beginning balance that was calculated for GASB87 Present Value of Lease – copier.

Ending Balance June 30, 2021	$8,193
Beginning Balance as of July 1, 2021	$8,379
Fiscal Year 2021 Interest	$ (186)

Difference between actual payments recorded as lease payments and amounts of depreciation and interest recorded due to the adoption of GASB87 on the copier.

Fiscal Year	2021
Actual Cash Payments	$1,043
Amount for Depreciation Expense	(924)
Amount for Fiscal Year 2021 Interest	(186)
Initial Payment deducted from Lease	174
Difference in Beginning Balance	$ 107

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Schedule of Commission's Proportionate Share of the Net Pension Liability

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

	2021 OPERS	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS	2014 OPERS
Proportionate share of the net pension liability	0.003031%	0.002797%	0.002617%	0.002433%	0.002452%	0.002655%	0.002534%	0.002838%
Proportion of the Net Pension Liability	$ 263,710	$ 414,175	$ 517,268	$ 666,346	$ 384,671	$ 315,269	$ 430,414	$ 342,162
Covered Payroll	$ 439,921	$ 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	59.95%	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	92.62%	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.

See notes to Required Supplementary Information

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Schedule of Commission Pension Contributions

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

	2022 OPERS	2021 OPERS	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS
Contractually required contributions	$ 61,589	$ 58,089	$51,327	$ 53,663	$ 45,323	$ 41,948	$ 47,312	$ 53,365
Contributions in relation to the contractually required contributions	$ (61,589)	$ (58,089)	$51,327	$ (53,663)	$ (45,323)	$ (41,948)	$ (47,312)	$ (53,365)
Contribution Deficiency/(excess)	$ -	$ -		$ -	$ -	$ -	$ -	$ -
Commission's Covered								
Commission's Covered payroll	$ 439,921	$ 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%	14.00%	14.75%	14.58%	12.51%	14.49%	15.85%

Information prior to 2015 is not available, the schedule will be built prospectively.
See notes to Required Supplementary Information

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 six calendar years:

	2021 OPERS	2020 OPERS	2019 OPERS	2018 OPERS	2017 OPERS	2016 OPERS
Proportionate share of the net OPEB Liability/(Asset)	.002821%	.002604%	0.002438%	0.002309%	0.002320%	0.002320%
Proportion of the Net OPEB Liability/(Asset)	$ (88,359)	$ (46,392)	$ 336,751	$ 301,039	$ 251,934	$ 255,879
Covered Payroll	$ 439,921	$ 393,886	$ 368,279	$ 324,278	$ 306,118	$ 359,006
Proportionate share of the net OPEB asset as a percentage of its' covered payroll	(20.09)%	(11.78)%	91.44%	92.83%	82.30%	71.27%
Plan fiduciary net position as a percentage of the total OPEB asset	128.23%	115.57%	47.80%	46.33%	54.14%	0.00%

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

See notes to Required Supplementary Information

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Schedule of the Commission OPEB Contributions

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

	2022 OPERS	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	$ 439,921	$ 393,886	$ 366,621	$ 363,706	$ 310,935	$ 335,443
Contributions as a percentage of the covered payroll	0.00%	0.00%	0.00%	0.00%	1.12%	1.12%

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

See notes to Required Supplementary Information

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 2022 incorporate changes in key methods and assumptions usedin calculating the total liability as presented below:

Investment Rate of Return:
Fiscal year 2016 8.00 percent
Fiscal year 2017 7.50 percent
Fiscal year 2018 7.20 percent
Fiscal year 2019 7.20 percent
Fiscal year 2020 6.00 percent
Fiscal year 2021 6.90 percent

Wage Inflation:

FY2016	3.75 percent
FY2017	3.25 percent
FY2018	no change
FY2019	no change
FY2020	no change
FY2021	2.75 percent

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
Fiscal year 2021 2.75-10.75%

Long-Term Expected Rate of Return	2021	2020	2019	2018	2017	2016	2015
Fixed Income	1.03%	1.07%	1.83%	2.79%	2.20%	2.75%	2.31%
Domestic Equities	3.78	5.64	5.75	6.21	6.37	6.34	5.84
Real Estate	3.66	6.48	5.20	4.90	5.26	4.75	4.25
Private Equity	7.43	0.00	10.70	10.81	8.97	8.97	9.25
International Equities	4.48	7.36	7.66	7.83	7.88	7.95	7.40
Risk Parity	5.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investments	4.00	4.02	4.98	5.50	5.26	4.92	4.59

As of December 31, 2021, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.4022 years.

Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and 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%.

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 reimbursement arrangement (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 2021. The 2022 allocation is expected to be 0.0% for health care funding and 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 1.84%. 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, 2021, the average of the expected remaining service lives of allemployees calculated by our external actuaries was 2.5246 years.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2022

	Budget FY 2022	Actual FY 2022	Difference (Over) Under Budget
Wages paid for time worked:			
Direct labor	$ 294,458	$ 302,544	$ (8,086)
Indirect labor	99,777	88,797	10,980
TOTAL LABOR - BASE FOR FRING ALLOCATION	$ 394,235	$ 391,341	$ 2,894
Fringe Benefits			
Annual / Vacation	$ 25,217	$ 26,930	$ (1,713)
Sick leave	11,048	9,258	1,790
Holiday	20,906	22,671	(1,765)
Other leave	2,097	3,292	(1,195)
Subtotal Fringe Benefit Wages	$ 59,268	$ 62,151	$ (2,883)
Other Fringe Benefits			
Medicare	$ 6,576	$ 6,576	$ -
Employment services	760	738	22
Life	1,095	1,144	(49)
Hospitalization	124,027	123,812	215
OPERS	65,066	69,256	(4,190)
Vision / Dental / Wellness	4,300	2,830	1,470
Workers' Compensation	270	268	2
Subtotal Other Fringe Benefits	$ 202,094	$ 204,624	$ (2,530)
TOTAL FRINGE BENEFITS	$ 261,362	$ 266,775	$ (5,413)
Indirect Costs			
Salaries – indirect only	$ 99,777	$ 88,797	$ 10,980
Fringe benefits for indirect salaries	66,148	60,532	5,616
Travel Expenses	1,800	223	1,577
Equipment - Expensed	3,000	2,366	634
Indirect - Depreciation Expense	2,000	3,395	(1,395)
Computer and Internet Repairs Exp	2,500	1,699	801
Supplies & Materials	6,000	4,799	1,201
Copier Expense	300	300	-
Legal Expense	200	-	200
Financial Consultant & Publications Exp	1,500	692	808
Audit Expense	15,000	11,020	3,980
Software & Training	2,500	1,818	682
Rent Expense	39,000	39,000	-
Publications Expense	400	289	111
Postage Expense	1,000	760	240
Telephone Expense	2,000	1,969	31
Membership Expense	2,500	985	1,515
Advertising Exp	200	39	161
Insurance Expense	4,000	3,678	322
Meeting / Conference Expense	120	251	(131)
Miscellaneous	900	809	91
TOTAL INDIRECT COSTS	$ 250,845	$ 223,421	$ 27,424

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION**

SCHEDULE OF RATES FRINGE, INDIRECT & COMBINED RATES 1998 TO 2022

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	6%
2021	0.6313	0.7434	1.3747	(13)%
2022	0.6817	0.7385	1.4202	3%
2023 projected	0.6725	0.8554	1.5736	9%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2021 TO 2022

	2021	2022	change	% change
TOTAL INDIRECT COSTS	**$206,209**	**$223,421**	**$17,212**	**8.35%**
Personnel	88,722	88,797	75	0.08%
Fringe Benefits	56,010	60,532	4,522	8.07%
Travel	105	223	118	112.38%
Equipment Cost	1,709	2,666	957	56.00%
Depreciation	3,115	3,395	280	8.99%
Computer / Internet Repairs	2,999	1,699	(1,300)	-43.35%
Supplies	4,095	4,799	704	17.19%
Financial Consultant / Publications	1,630	691	(939)	-57.61%
Audit Services	197	11,020	10,823	5493.91%
Software / Training	3,343	1,818	(1,525)	-45.62%
Rent	36,000	39,000	3,000	8.33%
Publications	278	289	11	3.96%
Postage	713	760	47	6.59%
Telephone	2,144	1,969	(175)	-8.16%
Membership	507	985	478	94.28%
Advertising	0	39	39	-100.00%
Insurance	3,647	3,678	31	0.85%
Miscellaneous	995	1,061	66	6.63%
INDIRECT COST RATE	**63.13%**	**73.85%**	**10.72%**	**16.98%**

	2021	2021	change	% change
TOTAL FRINGE BENEFITS	**$231,112**	**$266,775**	**$36,663**	**106.03%**
Salary Benefits	52,775	62,151	9,376	17.77%
Payroll Benefits	5,567	8,458	2,891	51.93%
Health Insurance	114,780	123,812	9,032	7.87%
Ohio PERS	53,911	69,256	15,345	28.46%
Miscellaneous Fringe Benefits	4,079	3,098	(981)	-24.05%
FRINGE BENEFIT RATE	**63.13%**	**68.17%**	**5.04%**	**7.98%**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2022

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	$ 88,797		$ 88,797
Fringe benefits	60,532		60,532
Travel	223	225	448
Equipment Costs	7,460	10	7,470
Supplies	5,908		5,908
Dues and publications	1,274	3,417	4,691
Audit and personal service contracts	11,712	92	11,804
Software / Training expense	1,818	112	1,930
Rent	39,000		39,000
Postage	760		760
Telephone	1,969		1,969
Advertising	39		39
Insurance	3,678		3,678
Other	251	527	778
Government-Wide Level	223,421	4,383	227,804
		Depreciation	(1,548)
	Total, Fund Level		$ 226,256

INDIRECT COST RATE COMPUTATION

Total Indirect Costs	$ 223,421	=	73.85%
Direct Personnel Costs	$ 302,544		

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2022

SALARY BENEFITS	$ 62,151
Payroll benefits:	
Medicare	6,576
Unemployment Insurance	738
Worker's Compensation	268
	7,582
Other benefits:	
Health insurance	123,812
Life insurance	1,144
Dental/Vision/Wellness	2,830
Ohio PERS	69,256
	$ 197,042
Total fringe benefits	$ 266,775

FRINGE BENEFIT RATE COMPUTATION

TOTAL FRINGE BENEFITS	266,775	=	68.17%
TOTAL PERSONNEL COSTS	391,341		

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2022

	REVENUE RECORDED				*EXPENSE RECORDED*				
	Federal	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
Federal Highway Administration Highway Planning and Construction									
Ohio Department of Transportation	83,807	10,476	10,476	104,759	40,403	27,542	29,837	6,977	104,759
Ohio Depart of Transp-Toll Credit (STP)	23,505			23,505	8,839	6,025	6,527	2,114	23,505
OH Short Range	11,848	1,481	1,481	14,810	6,110	4,165	4,511	24	14,810
OH TIP	11,983	1,498	1,498	14,979	6,022	4,105	4,449	403	14,979
OH Surveillance	33,485	4,185	4,185	41,855	14,820	10,101	10,943	5,991	41,855
WV Department of Transportation	70,048	8,756	8,756	87,560	34,273	23,364	25,311	4,612	87,560
WV Short Range	9,305	1,163	1,164	11,632	4,798	3,271	3,544	19	11,632
WV TIP	9,411	1,177	1,177	11,765	4,730	3,225	3,494	316	11,765
WV Surveillance	26,296	3,288	3,288	32,872	11,636	7,934	8,595	4,707	32,872
Ohio Long Range Finance Element									
Ohio Department of Transportation	13,479	1,684	1,684	16,847	6,951	4,738	5,134	24	16,847
WV Department of Transportation	10,580	1,323	1,323	13,226	5,457	3,721	4,030	18	13,226
Ohio Rideshare									
Ohio Department of Transportation	32			32	13	9	10		32
Federal Transit Administration Transit Technical Studies: CPG Transit Plng									
Ohio Department of Transportation	9,902	1,238	1,239	12,379	5,094	3,474	3,762	49	12,379
Ohio Department of Transp-STP	21,896			21,896	1,065	726	788	19,317	21,896
WV Department of Transportation	6,254	781	782	7,817	3,210	2,188	2371	48	7,817

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2022

	REVENUE RECORDED				*EXPENSE RECORDED*				
Appalachian Regional Commission Appalachian Local Development District	**Federal**	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
302(a)(1) 07/01/21 – 12/31/21	30,228	18,705	15,310	64,243	23,999	15,892	18,497	5,855	64,243
302(a)(1) 01/01/22– 06/30/22	21,504	16,295	1,422	39,221	15,797	11,236	10,892	1,296	39,221
U. S. Department of Commerce Partnership Planning Program									
WV Economic Development	70,000		70,791	140,791	21,869	14,908	16,150	87,864	140,791
U. S. Department of Commerce Economic Adjustment Assistance									
EDA Cares Act	195,910			195,910	58,214	39,685	42,991	55,020	195,910
U. S. Environmental Protection Agency									
Brownsfield 7/2020 TO 9/2023	165,169			165,169	2,858	1,949	2,111	158,251	165,169
U. S. Department of Agriculture - RBDG									
Jefferson County Broadband	47,974		969	48,943	3,694	2,519	2,728	40,002	48,943

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2022

	REVENUE RECORDED				***EXPENSE RECORDED***				
Projects and Programs	**Federal**	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
USDA/RBDG Social Media									
OMEGA Media Outreach		3,747	96	3,843	39	27	29	3,748	3,843
WVDEP - New Cumberland		10,000	-	10,000				10,000	10,000
Hammond Water Improvement			3,765	3,765	1,556	1,060	1,149		3,765
Follansbee Water			371	371	153	105	113		371
Follansbee Sewer			3,259	3,259	1,347	917	995		3,259
Tomlinson Water			4,877	4,877	2,015	1,374	1,488		4,877
Wellsburg Water			9,878	9,878	4,082	2,782	3,014		9,878
Brooke Co. Sewer IIC			3,281	3,281	1,356	924	1,001		3,281
Washington Pike PSD Water			3,187	3,187	1,317	898	972		3,187
Weirton Sewer Capacity			3,530	3,530	1,459	994	1,077		3,530
Weirton Water Capacity			6,019	6,019	2,487	1,695	1,837		6,019
New Cumberland Sewer			2,993	2,993	1,237	843	913		2,993
New Cumberland Water			3,831	3,831	1,583	1,079	1,169		3,831
BDC (2) - Brownsfield Coalition		-	9,847	9,847	4,048	2,760	2,989	50	9,847
TOTALS	**872,616**	**85,797**	**180,511**	**1,138,924**	**302,544**	**206,244**	**223,431**	**406,705**	**1,138,924**

NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. The Schedule has been prepared 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.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR State Pass Through Grantor Program / Cluster Title	Federal ALN Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF COMMERCE			
Economic Development Support for Planning Organizations	11.302		
Direct Award			
West Virginia Economic Development		FED19PHI3020053	$ 70,000
Economic Adjustment Assistance/ Cares Act Supplemental	11.307		
EDA Awards for EDDs			
Direct Award			
West Virginia Economic Development		FED20PHI3070073	195,910
TOTAL U.S. DEPARTMENT OF COMMERCE			**265,910**
U.S. DEPARTMENT OF TRANSPORTATION	20.205		
Federal Highway Administration			
Highway Planning and Construction Cluster:			
Pass-through from Ohio Department of Transportation			
CMAQ - Rideshare Planning Program		PID 111472	32
Consolidated Planning Grant SFY 2021		PID 111606	15,070
Consolidated Planning Grant SFY 2022		PID 114262	149,432
STP - Regional Transportation Planning Program		PID 111477	23,505
STP - Transit Planning Grant SFY 2020		PID 112791	11,209
STP - Transit Planning Grant SFY 2020		PID 112792	10,687
Total CFDA #20.205 Passed Through ODOT			209,935
Pass-through from WV Department of Transportation			
Consolidated Planning Grant		OL 603	131,896
Total CFDA #20.205 Passed Through WVDOT			131,896
Total Highway Planning and Construction Cluster			341,831
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			**341,831**
APPALACHIAN REGIONAL COMMISSION	23.009		
Appalachian Local Development District			
Pass-through WV Development Office			
ARC Administrative - 2021		WV-2436-C48-21	30,228
ARC Administrative - 2022		WV-2436-C49-22	21,504
TOTAL APPALACHIAN REGIONAL COMMISSION			**51,732**
U.S. ENVIRONMENTAL PROTECTION AGENCY	66.818		
Direct Award			
Brownfields Assessment and Cleanup Cooperative Agreements		BF-96378801	165,169
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			**165,169**
U.S. DEPARTMENT OF AGRICULTURE	10.351		
Direct Award			
Rural Development		0348-0004	47,974
TOTAL U.S. DEPARTMENT OF AGRICULTURE			**47,974**
TOTAL EXPENDITURES OF FEDERAL AWARDS			**$ 872,616**

The accompanying notes are an integral part of this schedule.

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Brooke- Hancock-Jefferson Metropolitan Planning Commission (the Commission) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position or changes in net position of the Commission.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

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

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

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
124 N 4th St, Second Floor
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the 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, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 18, 2023, wherein we noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. We also noted the Commission adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

However, we noted a certain matter not requiring inclusion in this report that we reported to the Commission's management in a separate letter dated January 18, 2023.

Purpose of this Report

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

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
January 18, 2023

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Parma, OH 44129-2550
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAMS AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
124 N 4th St, Second Floor
Steubenville, Ohio 43952

To the Board of Directors:

Report on Compliance for the Major Federal Programs

Opinion on the Major Federal Programs

We have audited the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, Ohio's (the Commission) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended June 30, 2022. The Commission's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal programs. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Commission's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Charles E. Harris & Associates, Inc.
January 18, 2023

Brooke-Hancock-Jefferson Metropolitan Planning Commission
Jefferson County
Schedule of Findings
2 CFR § 200.515
June 30, 2022

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Highway Planning and Construction Cluster – ALN # 20.205 Economic Adjustment Assistance – ALN # 11.307
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR §200.520?**	No

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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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 4/4/2023

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