

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

***JEFFERSON COUNTY***

Single Audit

For the Year Ended June 30, 2023





OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Directors  
Brooke-Hancock-Jefferson Metropolitan Planning Commission  
124 N. 4th Street  
2<sup>nd</sup> Floor  
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2022 through June 30, 2023. 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. The Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 13, 2024

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**Brooke-Hancock-Jefferson Metropolitan Planning Commission  
Jefferson County**

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**INDEPENDENT AUDITOR’S REPORT**

Brooke-Hancock-Jefferson Metropolitan Planning Commission  
Jefferson County  
124 N 4<sup>th</sup> 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, 2023, 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, 2023, 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.

***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.

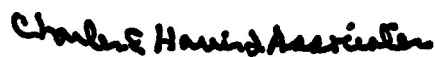
***Other Information***

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 2000 to 2023, Schedule of Indirect and Fringe Comparison 2022 to 2023, 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 4, 2024, 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, Inc.  
January 4, 2024

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**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
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 2023, 78% of the Commission's revenues were generated through federal and state grants. In 2023, 44% of those funds were allocated to transportation; 2% allocated to transit studies and capital planning; 21% allocated to environmental protection agency; 16% allocated to economic development and 17% 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 22 to FY 23 Comparisons**

- Total net 2023 position (i.e., total assets and deferred outflow of resources minus total liabilities and deferred inflows of resources) increased .07% from 2022.
- 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 2023 would have had the highest net position in the amount of \$323,475.
- Revenue in 2023 increased by \$28,842 over the previous year. The change was largely due to receiving an additional amount of \$30,000 from the State of WV and an increase in funding from the Ohio Department of Transportation/FHWA of approximately \$27,000.
- Expenses in 2023, driven by the above revenue generation, increased 16.58 %.
- Actual Indirect Costs in 2023 were 6% higher when compared to 2022 thereby increasing the indirect cost rate by 5.95%. Total Fringe Benefits were \$16,833 higher in 2023 amounting to a 6% decrease in expense from the previous year.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

**Long Term Debt**

Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases. There was no long-term debt at the end of the fiscal year, June 30, 2023, except for the Net Pension Liability, Net OPEB 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 subtracting deferred 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 General Assembly and approval of the Governor.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

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 system is 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 the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within 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**

In 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 recognizes 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.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

**Capital Assets**

Computers, Office Furniture, and Traffic Count Equipment	
Balance as of July 1, 2022	\$ 125,791
Additions:	0
Deletions:	<u>(0)</u>
Balance as of June 30, 2023	<u>125,791</u>
Accumulated Depreciation	
Balance as of July 1, 2022	(122,726)
Current Year - depreciation expense	(1,737)
Deletions:	<u>0</u>
Balance as of June 30, 2023	<u>(124,463)</u>
<b>Net Capital Assets June 30, 2023</b>	<b><u>\$ 1,328</u></b>

**Right of Use Assets**

Office Space and Copiers	
Balance as of July 1, 2022	\$ 147,622
Additions:	<u>0</u>
Balance as of June 30, 2023	<u>147,622</u>
Accumulated Depreciation	
Balance as of July 1, 2022	(33,673)
Current Year - depreciation expense	(32,041)
Balance as of June 30, 2023	<u>(65,714)</u>
<b>Net Right-of-Use Assets June 30, 2023</b>	<b><u>\$ 81,908</u></b>

**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 The Ohio Revised Code to budget however, the board approves a budget prepared by the financial manager to guide them.

**General Fund**

The Commission has only one major fund – the General Fund. Information on the General Fund begins on page 15. The General Fund had total revenues of \$1,184,720 and total expenditures of \$1,152,092. The fund balance increased by \$32,628.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
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, 2023. 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 (GPFRR) 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, and actions 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 GPFRR. 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 Commission.

**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 4<sup>th</sup> Street 2<sup>nd</sup> Floor, Steubenville, Ohio 43952).

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

**STATEMENT OF NET POSITION**

	<u>2022</u>	<u>2023</u>	<u>Change</u>
<b>Assets</b>			
Current and Other Assets	\$ 311,071	\$ 392,498	\$ 81,427
Long Term Assets:			
Net Other Post-Employment Benefits Asset	88,359	0	(88,359)
Capital Asset, net	3,065	1,328	(1,737)
Right to Use Asset, net	<u>113,949</u>	<u>81,908</u>	<u>(32,041)</u>
<b>Total Assets</b>	<u>516,444</u>	<u>475,734</u>	<u>(40,710)</u>
 <b>Deferred Outflow of Resources</b>			
Other Post-Employment Benefits	9,087	51,265	42,178
Pension Benefits	<u>109,837</u>	<u>324,201</u>	<u>214,364</u>
<b>Total Deferred Outflow of Resources</b>	<u>118,924</u>	<u>375,466</u>	<u>256,542</u>
 <b>Liabilities</b>			
Current and Other Liabilities	71,974	111,491	39,517
Long Term Liabilities:			
Due in More Than One Year			
Lease Liabilities	78,218	40,768	(37,450)
Net Other Post-Employment Benefits Liability	0	16,876	16,876
Net Pension Benefits Liability	<u>263,710</u>	<u>848,980</u>	<u>585,270</u>
<b>Total Liabilities</b>	<u>413,902</u>	1,018,115	<u>604,213</u>
 <b>Deferred Inflows of Resources</b>			
Other Post-Employment Benefits	91,293	5,659	(85,634)
Pension Benefits	<u>319,457</u>	<u>16,577</u>	<u>(302,880)</u>
<b>Total Deferred Inflows of Resources</b>	<u>410,750</u>	<u>22,236</u>	<u>(388,514)</u>
 <b>Net Position</b>			
Net Investment in Capital Assets	3,506	5,018	1,512
Unrestricted	<u>(192,790)</u>	<u>(194,169)</u>	<u>(1,379)</u>
<b>Total Net Position</b>	<u>\$(189,284)</u>	<u>\$(189,151)</u>	<u>\$ 133</u>



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

**CHANGES IN NET POSITION - GOVERNMENT-WIDE ACTIVITIES**

	<u>2022</u>	<u>2023</u>	<u>Change</u>
<b>Revenue</b>			
Program Revenue			
Operating Grants and Contributions	\$ 928,620	\$ 873,274	\$ (55,346)
General Revenues			
Per Capita Dues	105,486	127,251	21,765
West Virginia Development Office	35,000	35,000	0
Miscellaneous	<u>98,213</u>	<u>160,636</u>	<u>62,423</u>
<b>Total Revenues</b>	<u>\$ 1,167,319</u>	<u>\$ 1,196,161</u>	<u>\$ 28,842</u>
<b>Expenses</b>			
Transportation Planning	336,755	447,306	110,551
Transit Studies	37,918	19,142	(18,776)
Community Development	96,692	218,663	121,971
Environmental Protection	207,192	262,671	55,479
Economic Development	<u>347,391</u>	<u>248,246</u>	<u>(99,145)</u>
<b>Total Expenses</b>	<u>1,025,948</u>	<u>1,196,028</u>	<u>170,080</u>
<b>Changes in Net Position</b>	141,371	133	(141,238)
Beginning Net Position	<u>(330,655)</u>	<u>(189,284)</u>	<u>141,371</u>
Ending Net Position	<u>\$(189,284)</u>	<u>\$(189,151)</u>	<u>\$ 133</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A) YEAR ENDED JUNE 30, 2023  
Unaudited**

**FUNCTIONAL EXPENSES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
<b>Programs</b>				
Transportation Planning	\$ 336,755	\$ 447,306	\$ 2,053	\$ (40,595)
Transit Studies	37,918	19,142	2,155	(2,674)
Community Development	96,692	218,663	(36,006)	(96,406)
Environmental Protection	207,192	262,671	(32,023)	(58,933)
Economic Development	<u>347,391</u>	<u>248,246</u>	<u>(33,507)</u>	<u>(124,146)</u>
<b>Total Expenses</b>	<b><u>\$ 1,025,948</u></b>	<b><u>\$ 1,196,028</u></b>	<b><u>\$ (97,328)</u></b>	<b><u>\$ (322,754)</u></b>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATEMENT OF NET POSITION  
GOVERNMENT-WIDE ACTIVITIES  
JUNE 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	128,748
Accounts receivable		49,448
Grants and contributions receivable		194,221
Prepays		20,081

**CAPITAL ASSETS**

Property, plant, and equipment, net of accumulated depreciation		<u>83,236</u>
Total assets		<u>475,734</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - pension		324,201
Deferred outflows of resources - other post-employment benefits		<u>51,265</u>
Total deferred outflows of resources		<u>375,466</u>

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**\$ 851,200**

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	\$	61,794
Accrued payroll		6,493
Accrued and withheld payroll taxes		253
Accrued and withheld employee benefits		5,501
Building Lease		35,568
Copier Lease		1,882

**LONG-TERM LIABILITIES**

Net pension liability		848,980
Net other post-employment benefits liability		16,876
Building Lease		37,761
Copier Lease		<u>3,007</u>
Total liabilities		<u>1,018,115</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - pension		16,577
Deferred inflows of resources - other post-employment benefits		<u>5,659</u>
Total deferred inflows of resources		<u>22,236</u>

**TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES**

**\$ 1,040,351**

**NET POSITION**

Net Investment in Capital Assets		5,018
Unrestricted (Deficit)		<u>(194,169)</u>
TOTAL NET POSITION		<u>\$ (189,151)</u>

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, 2023**

**FUNCTIONS/PROGRAMS**

<b>Government-Wide</b>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Grants and Contributions</u>	<u>Activities</u>
Primary Government-Wide:				
Transportation planning	\$ 320,359	\$ 126,947	\$ 406,711	\$ (40,595)
Transit studies and capital planning	13,444	5,698	16,468	(2,674)
Community development projects	173,887	44,776	122,257	(96,406)
Environmental protection projects	244,599	18,072	203,738	(58,933)
Economic development projects	<u>207,642</u>	<u>40,604</u>	<u>124,100</u>	<u>(124,146)</u>
<b>Total Primary Government-Wide</b>	<b>\$ 959,931</b>	<b>\$ 236,097</b>	<b>\$ 873,274</b>	<b>\$ (322,754)</b>
 <b>General Government-Wide Revenues:</b>				
Miscellaneous				84,478
Per Capita revenues				127,251
Administrative Revenues				46,158
State of West Virginia				30,000
West Virginia Development Office				<u>35,000</u>
Total General Government-Wide Revenues				<u>322,887</u>
 <b>CHANGES IN NET POSITION</b>				 133
 <b>NET POSITION, BEGINNING OF YEAR</b>				 <u>(189,284)</u>
 <b>NET POSITION, ENDING</b>				 <b><u>\$ (189,151)</u></b>

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

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
GENERAL FUND BALANCE SHEET  
JUNE 30, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 128,748
Accounts receivable	49,448
Grants receivable	194,222
Prepays	<u>20,081</u>

**TOTAL CURRENT ASSETS** **\$ 392,499**

**LIABILITIES AND FUND BALANCE**

**CURRENT LIABILITIES**

Accounts payable	\$ 61,794
Accrued and withheld employee benefits	5,501
Accrued payroll	6,493
Accrued and withheld payroll taxes	253
Unearned Revenue	<u>22,031</u>

**TOTAL CURRENT LIABILITIES** **\$ 96,072**

**FUND BALANCE**

Non-spendable	\$20,081
Assigned	22,031
Unassigned	<u>254,315</u>

**TOTAL FUND BALANCE** **\$ 296,427**

**TOTAL LIABILITIES AND FUND BALANCE** **\$ 392,499**

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, 2023**

General Fund Balance	\$	296,427
Amounts reported for government-wide activities in the statement of net position are different because:		
Capital assets of \$125,791 net of accumulated depreciation of \$(124,463) are not financial resources and therefore, are not reported in the fund.		1,328
Lease Right to Use assets of \$147,622 net of accumulated depreciation of \$(65,714) are not financial resources and therefore, are not reported in the fund.		81,908
Lease and lease interest liabilities of \$113,509 net of payments of \$(35,290) are not financial resources and therefore, are not reported in the fund.		(78,219)
Deferred Inflows - Revenues are resources received for a future period and are not financial resources. Therefore, they are not reported in the fund.		22,031
Net OPEB liability of \$16,876 less deferred outflow less plus deferred inflows of OPEB are not financial resources and therefore, are not reported in the fund.		28,730
Net Pension liability of \$848,980 less deferred outflow plus deferred Inflows of Pension are not financial resources and therefore, are not reported in the fund.		(541,356)
Net Position of Government-wide Agency		\$ (189,151)

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, 2023**

		General Fund
<b>REVENUES</b>		
<b>Current</b>		
Federal grants and projects	\$816,135	
State financial assistance	110,697	
Per capita dues	127,251	
Administrative revenues	46,158	
Local assistance	<u>84,479</u>	
Total current revenues		\$ 1,184,720
 <b>EXPENDITURES</b>		
<b>Current</b>		
Transportation planning	430,755	
Transit studies and capital planning	18,442	
Community development projects	210,665	
Environmental protection projects	253,064	
Economic development projects	<u>239,166</u>	
Total current expenditures		<u>1,152,092</u>
 <b>NET CHANGES IN FUND BALANCE</b>		 32,628
 <b>GENERAL FUND BALANCE, BEGINNING</b>		 <u>263,799</u>
 <b>GENERAL FUND BALANCE, ENDING</b>		 <u>\$ 296,427</u>

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, 2023**

Net Change in Fund Balances - General Fund	\$ 32,628
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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.	22,031
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Unearned revenue from prior period that provides current financial resources.	(10,587)
---	----------

This is the amount of debt payments in the current period.	35,290
--	--------

The amount for depreciation in the current period	(33,778)
---	----------

Pension expense reported in the Government-wide Statement of Activities that are not financial resources	(104,768)
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Pension contributions subsequent to the measurement date reported as deferred outflows.	36,742
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OPEB expense reported in the Government-wide Statement of Activities that are not financial resources	<u>22,575</u>
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Change in Net Position of Government-wide Agency	<u>\$ 133</u>
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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, 2023**

**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 the 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.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses have been included as part of program expenses on the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenue.

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

Measurement Focus and Basis of Accounting – 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.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**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.

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

- 1) General Fund

Revenues – Non-Exchange Transactions – Non-exchange transactions, in which the Commission receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Commission must provide local resources to be used for those specific purposes, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available and measurable before it can be recognized. The available period is three months after the year end.

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

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

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 to 15 years
Intangible Right to Use Lease	3 years

Fund balance – The 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.

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 for specific purposes but do not meet the criteria to be classified as restricted or committed. 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.

**BROOKE-HANCOCK-JEFFERSON**  
**METROPOLITAN PLANNING COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2023**

**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 satisfying requirements as specified in the 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 governed by 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 security for 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 and expenses during the reporting period. Actual results could differ from those estimates.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**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 6 and 10.

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 on Government-wide net position 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. For more information, see Notes 6 and 10.

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

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

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Leases Payable – Brooke-Hancock-Jefferson Metropolitan Planning Commission serves as a lessee in two noncancellable leases which are accounted for as follows:

*Lessee* At the commencement of a lease, Brooke-Hancock-Jefferson Metropolitan Planning Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with other long-term debt on the statement of net position.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Cash deposits and cash on hand consist of the following on June 30, 2023:

	Carrying Balance	Bank Balance
PNC	\$ 128,598	\$ 170,357
Petty Cash	<u>150</u>	<u>0</u>
Total cash deposits and cash on hand	\$ 128,748	\$ 170,357

The Commission's funds at PNC Bank are insured up to the FDIC limit on June 30, 2023, 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, 2023, is as follows:

**Capital Assets**

Computers, Office Furniture, and Traffic Count Equipment	
Balance as of July 1, 2022	\$ 125,791
Additions:	0
Deletions:	<u>(0)</u>
Balance as of June 30, 2023	<u>125,791</u>
Accumulated Depreciation	
Balance as of July 1, 2022	(122,726)
Current Year - depreciation expense	(1,737)
Deletions:	<u>0</u>
Balance as of June 30, 2023	<u>(124,463)</u>
<b>Net Capital Assets June 30, 2023</b>	<b><u>\$ 1,328</u></b>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

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

**Right of Use Assets**

Computers, Office Space and Copiers	
Balance as of July 1, 2022	\$ 147,622
Additions	<u>0</u>
Balance as of June 30, 2023	<u>147,622</u>
Accumulated Depreciation	
Balance as of July 1, 2022	(33,673)
Current Year - depreciation expense	<u>(32,041)</u>
Balance as of June 30, 2023	<u>(65,714)</u>
<b>Net Right of Use Assets June 30, 2023</b>	<b><u>\$ 81,908</u></b>

Direct and Indirect depreciation expense for the period ending June 30, 2023, included in the Government-wide expenses consist of the following:

Transportation planning	\$ 12,751
Transit studies and capital planning	538
Community development projects	6,141
Environmental protection projects	7,377
Economic development projects	<u>6,971</u>
Total	<u>\$ 33,778</u>

**NOTE 4 - GRANTS RECEIVABLE**

Grants receivable of \$194,221 is comprised of amounts due from the following governmental entities on June 30, 2023:

WV Department of Transportation – FHWA (Federal)	\$ 18,887
WV Department of Transportation – FHWA (State)	2,361
WV Department of Transportation – FTA Transit (Federal)	736
WV Department of Transportation – FTA Transit (State)	92
Ohio Department of Transportation – FHWA (Federal)	28,609
Ohio Department of Transportation – FHWA (State)	3,576
Ohio Department of Transportation – FTA Transit (Federal)	2,089
Ohio Department of Transportation – FTA Transit (State)	261
Ohio Department of Transportation – STP	22,784
EPA – Brownsfield Assessment Grant – BHJ Coalition	61,804
Appalachian Regional Commission	1,346
WV Emergency Management Div. – Hazard Mitigation	15,000
WV Broadband – Digital Equity	15,607
WV Broadband – BEAD	<u>21,069</u>
<b>Total grants receivable</b>	<b><u>\$ 194,221</u></b>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 5 - UNEARNED REVENUE – GENERAL FUND**

Deferred Inflows of Resources represents unearned revenues from non-exchange transactions on June 30, 2023:

WV Coordination Plan	\$ 17,031
Hazard Mitigation – Local Match	<u>5,000</u>
Total Unearned Revenue	<u>\$ 22,031</u>

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS**

**See Note 11 for a description on the net OPEB liability.**

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

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

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Group A** 30 years of qualifying service credit at any age;

**Group B** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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

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**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. For fiscal year 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

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

No employer contributions were allocated to health care in 2023 for the Traditional Pension. 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.

**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Commission's proportion of the net OPEB liability 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:

**BROOKE-HANCOCK-JEFFERSON  
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**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

<i>Proportion of the Net OPEB Liability</i>	<b>(OPERS)OPEB</b>
Current Measurement Date	0.002677%
Prior Measurement Date	0.002821%
Change in Proportionate Share	<i>0.000144%</i>
Proportionate Share of the Net OPEB Liability	\$ 16,876
OPEB Expense	\$(22,575)

On June 30, 2023, the Commission reported deferred inflows/outflows of resources related to OPEB from the following sources:

	<b>(OPERS)OPEB</b>
<b>Deferred Outflows of Resources</b>	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 1,257
Net difference between projected and actual earnings on plan investments	33,522
Changes in assumptions	<u>16,486</u>
Total Deferred Outflows of Resources	<u>\$ 51,265</u>
<b>Deferred Inflows of Resources</b>	
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 92
Changes in assumptions	1,357
Differences between expected and actual experience	<u>4,210</u>
Total Deferred Inflows of Resources	<u>\$ 5,659</u>

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

Fiscal Year Ending June 30:	<u>2023 Deferrals</u>
2024	\$ 6,734
2025	12,224
2026	10,453
2027	<u>16,195</u>
Total	<u>\$ 45,606</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

**Actuarial Assumptions**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year.

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**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

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 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees 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. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined 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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	<u>6.00</u>	1.84
Total	<u>100.00%</u>	

**Discount Rate** A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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) 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 an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

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**NOTE 6 - OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)**

***Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate*** The following table presents the Commission's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Commission's proportionate share of the net OPEB Liability	\$57,448	\$16,876	(\$16,597)

***Sensitivity of the Commission's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Commission's proportionate share of the net OPEB Liability	\$15,821	\$16,876	\$18,070

**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, required supplementary information on the net OPEB liability, and the unmodified audit opinion on the combined financial statements) is located in the *OPERS 2022 Annual Comprehensive Financial Report*. This report is available at [opers.org](http://opers.org) or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

**BROOKE-HANCOCK-JEFFERSON  
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JUNE 30, 2023**

**NOTE 7 – LONG-TERM OBLIGATIONS**

***Long-Term Liabilities***

*Net OPEB and Net Pension Liabilities:*

There is no repayment schedule for the net pension liability and net OPEB liability; 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 see Note 6 and 10.

*Leases:*

In prior years 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 1<sup>st</sup>, 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.

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

Right-of-Use Assets Balance of July 1, 2022	
Canon Financial Lease	\$ 6,677
Office Lease	<u>106,831</u>
Total Balance July 1, 2022	113,508
Deletions:	
Payments on Canon Financial Lease	(1,789)
Payments on Office Lease	<u>(33,501)</u>
Balance June 30, 2023	<u>\$ 78,218</u>

A summary of changes in capital leases/right of use assets for the fiscal year ended June 30, 2023 is as follows:

<b><u>Government-wide Activities</u></b>	<b><u>Principal Outstanding 7/1/2022</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Principal Outstanding 6/30/2023</u></b>	<b><u>Amount Due in One Year</u></b>
Net Pension Liability:	\$263,710	585,270	0	\$ 848,980	\$ 0
Net OPEB Liability:	0	16,876	0	16,876	
ROU Leases:	<u>113,508</u>	<u>0</u>	<u>35,290</u>	<u>78,218</u>	<u>37,450</u>
Total Governmental Activities	<u>\$377,218</u>	<u>602,146</u>	<u>35,2901</u>	<u>\$944,074</u>	<u>\$ 37,450</u>

**BROOKE-HANCOCK-JEFFERSON  
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)**

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

<b>Year Ending June 30th</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2024	37,450	3,636
2025	39,741	1,345
2026	<u>1,028</u>	<u>16</u>
Total Lease Payments	<u>\$ 78,219</u>	<u>\$ 4,997</u>

**NOTE 8 –DEPENDENCY**

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

**NOTE 9– CONTINGENCIES**

The Commission is currently not a party in any litigation.

**NOTE 10 – DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability***

The net pension liability and the net OPEB liability reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions--between an employer and its employees--of salaries and benefits for employee services. Pensions/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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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 and OPEB.



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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *benefits payable*. The remainder of this note includes the required pension disclosures. See Note 6 for the required OPEB disclosures.

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

Plan Description - Commission employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan.

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

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member’s pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections.

**BROOKE-HANCOCK-JEFFERSON  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

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

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.

<b>Board of Trustees-Approved Contribution Rates- Traditional Plan</b>		
	2023 Member Rate	2023 Employer Rate
Local Division	10.0	14.0

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

For fiscal year 2023, the Commission’s contractually required contribution was \$72,999 for the traditional plan. Of these amounts, \$2,090 is reported as a benefits payable for the traditional plan.

**Pension Liabilities, 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, 2022, and the total pension liability was 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

	<u>OPERS</u>
<b>Proportion of the Net Pension Liability</b>	
Current measurement date	0.002874%
Prior measurement date	<u>0.003031%</u>
Change in Proportionate Share	(.000157%)
Proportion of the Net Pension Liability	\$ 848,980
Pension Expense	\$ 104,768

On June 30, 2023, 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	\$ 28,199
Net difference between projected and actual earnings on pension plan investments	241,986
Changes in assumptions	8,968
Changes in proportion and differences between contributions and proportionate share of contributions	8,306
Commission contributions subsequent to the measurement date	<u>36,742</u>
Total Deferred Outflow of Resources	<u>\$ 324,201</u>

**Deferred Inflows of Resources**

Changes in proportion and differences between contributions and proportionate share of contributions	<u>\$ 16,577</u>
Total Deferred Inflows of Resources	<u>\$ 16,577</u>

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of \$36,742 is reported and will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

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

Fiscal Year Ending June 30:	<u>2023 Deferrals</u>
2024	\$ 66,676
2025	51,178
2026	71,229
2027	<u>118,541</u>
Total	<u>\$ 307,624</u>

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Actuarial Assumptions - OPERS**

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. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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 most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 for 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 12.1 percent for 2022.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The 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 real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
<b>Total</b>	<b>100.00%</b>	

**Discount Rate** The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 benefits 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.

**Sensitivity of the Commission’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the Commission’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what the Commission’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
<b>Commission's proportionate share of the net pension liability</b>			
OPERS Traditional Plan	\$ 1,271,745	\$ 848,980	\$ 497,317

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**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, required supplementary information on the net pension liability, and the unmodified audit opinion on the combined financial statements) is located in the *OPERS 2022 Annual Comprehensive Financial Report*. This report is available at [opers.org](http://opers.org) or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

**NOTE 11- RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment matters, injuries to employees, and employee theft and fraud. The Commission participates in the Ohio Bureau of Workers' Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. The Commission continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 years, and there has been no significant reduction in insurance coverage from coverage in prior years.

**NOTE 12 - 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 United States Department of Interior has agreed to let Brooke-Hancock-Jefferson Metropolitan Planning Commission to adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year when actual rates are determined and submitted to the oversight 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.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2023**

**NOTE 12 - COST ALLOCATION PLAN (CONTINUED)**

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2023:

**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 FY2023 fringe benefit costs were allocated at a provisional rate of 67.25% of direct and indirect labor costs. The actual fringe benefit cost rate was 73.20%. Per the agreement with The U.S. Department of Interior, State & Local Governments Division, 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 FY2023 indirect costs were allocated at a provisional rate of 85.54% of direct labor costs. The actual indirect cost rate was 79.80%. Per the agreement with The U.S. Department of Interior, State & Local Governments Division, the provisional rate was adjusted to actual, and the adjustment is reflected in the financial statements.



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**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 nine calendar years:

	<u>2022</u> <u>OPERS</u>	<u>2021</u> <u>OPERS</u>	<u>2020</u> <u>OPERS</u>	<u>2019</u> <u>OPERS</u>	<u>2018</u> <u>OPERS</u>	<u>2017</u> <u>OPERS</u>	<u>2016</u> <u>OPERS</u>	<u>2015</u> <u>OPERS</u>	<u>2014</u> <u>OPERS</u>
Proportionate share of the net pension liability	.002874%	0.003031%	0.002797%	0.002617%	0.002433%	0.002452%	0.002655%	0.002534%	0.002838%
Proportion of the Net Pension Liability	\$ 848,980	\$ 263,710	\$ 414,175	\$ 517,268	\$ 666,346	\$ 384,671	\$ 315,269	\$ 430,414	\$ 342,162
Covered Payroll	\$ 439,921	\$ 414,921	\$ 366,621	\$ 363,706	\$ 310,935	\$ 335,443	\$ 326,430	\$ 336,722	\$ 329,486
Proportionate share of the net pension liability as a percentage of its' covered payroll	192.98%	63.55%	112.97%	142.22%	214.30%	114.67%	96.58%	127.82%	103.84%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	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, 2023**

**Schedule of Commission Pension Contributions**

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

	<u>2023</u> <u>OPERS</u>	<u>2022</u> <u>OPERS</u>	<u>2021</u> <u>OPERS</u>	<u>2020</u> <u>OPERS</u>	<u>2019</u> <u>OPERS</u>	<u>2018</u> <u>OPERS</u>	<u>2017</u> <u>OPERS</u>	<u>2016</u> <u>OPERS</u>	<u>2015</u> <u>OPERS</u>
Contractually required contributions	\$ 72,999	\$ 61,589	\$ 58,089	\$51,327	\$ 53,663	\$ 45,323	\$ 41,948	\$ 47,312	\$ 53,365
Contributions in relation to the contractually required contributions	\$ (72,999)	\$ (61,589)	\$ (58,089)	\$ (51,327)	\$ (53,663)	\$ (45,323)	\$ (41,948)	\$ (47,312)	\$ (53,365)
Contribution Deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's Covered payroll	\$ 521,421	\$ 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%	14.00%	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, 2023**

**Schedule of the Commission's Proportionate Share of the Net OPEB Liability**

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

	<u><b>2022</b></u> <u><b>OPERS</b></u>	<u><b>2021</b></u> <u><b>OPERS</b></u>	<u><b>2020</b></u> <u><b>OPERS</b></u>	<u><b>2019</b></u> <u><b>OPERS</b></u>	<u><b>2018</b></u> <u><b>OPERS</b></u>	<u><b>2017</b></u> <u><b>OPERS</b></u>	<u><b>2016</b></u> <u><b>OPERS</b></u>
Proportionate share of the net OPEB Liability	.002677%	.002821%	.002604%	0.002438%	0.002309%	0.002320%	0.002320%
Proportion of the Net OPEB Liability	\$ 16,876	\$ (88,359)	\$ (46,392)	\$ 336,751	\$ 301,039	\$ 251,934	\$ 255,879
Covered Payroll	\$ 439,921	\$ 414,921	\$ 366,621	\$ 363,706	\$ 310,935	\$ 335,443	\$ 326,430
Proportionate share of the net OPEB liability as a percentage of its' covered payroll	3.38%	(21.29)%	(12.65)%	92.58%	96.81%	75.10%	78.38%
Plan fiduciary net position as a percentage of the total OPEB liability	94.79%	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, 2023**

**Schedule of the Commission OPEB Contributions**

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

	<u>2023</u> <u>OPERS</u>	<u>2022</u> <u>OPERS</u>	<u>2021</u> <u>OPERS</u>	<u>2020</u> <u>OPERS</u>	<u>2019</u> <u>OPERS</u>	<u>2018</u> <u>OPERS</u>	<u>2017</u> <u>OPERS</u>
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	\$521,422	\$ 439,921	\$ 414,921	\$ 366,621	\$ 363,706	\$ 310,935	\$ 335,443
Contributions as a percentage of the covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.12%	1.12%

Information prior to 2017 is not available, the schedule will be built prospectively.

See notes to Required Supplementary Information

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTE TO THE SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

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

**Changes in Assumptions – OPERS Pension –Traditional Plan**

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2017 and 2018	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for post-January 7, 2013 retirees are as follows:

COLA or Ad Hoc COLA	
Post-January 7, 2013 Retirees	
2023	3 percent, simple through 2023, then 2.05 percent, simple
2022	3 percent, simple through 2022, then 2.05 percent, simple
2021	.5 percent, simple through 2021, then 2.15 percent, simple
2020	1.4 percent, simple through 2020, then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018, then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018, then 2.8 percent, simple

Amounts reported beginning in 2022 use mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent 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 percent 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.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTE TO THE SCHEDULES OF REQUIRED  
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FOR THE YEAR ENDED JUNE 30, 2023**

The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in Fiscal year 2019	6.00 percent
Fiscal year 2018	6.50 percent
Municipal Bond Rate:	
Fiscal year 2023	4.05 percent
Fiscal year 2022	1.84 percent
Fiscal year 2021	2.00 percent
Fiscal year 2020	2.75 percent
Fiscal year 2019	3.71 percent
Fiscal year 2018	3.31 percent
Single Discount Rate:	
Fiscal year 2023	5.22 percent
Fiscal year 2021	6.00 percent
Fiscal year 2020	3.16 percent
Fiscal year 2019	3.96 percent
Fiscal year 2018	3.85 percent
Health Care Cost Trend Rate:	
Fiscal year 2023	5.50 percent, initial
	3.5 percent, ultimate in 2036
Fiscal year 2022	5.50 percent, initial
	3.5 percent, ultimate in 2034
Fiscal year 2021	8.50 percent, initial
	3.5 percent, ultimate in 2035
Fiscal year 2020	10.0 percent, initial
	3.5 percent, ultimate in 2030
Fiscal year 2019	10.0 percent, initial
	3.25 percent, ultimate in 2029
Fiscal year 2018	7.5 percent, initial
	3.25 percent, ultimate in 2028

**Changes in Benefit Terms – OPERS OPEB**

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in fiscal year 2021.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
BUDGET COMPARISON  
JUNE 30, 2023**

	Budget FY 2023	Actual FY 2023	Difference (Over) Under Budget
<b>Wages paid for time worked:</b>			
Direct labor	\$ 308,763	\$ 296,501	\$ 12,262
Indirect labor	<u>100,456</u>	<u>90,931</u>	<u>9,525</u>
<b>TOTAL LABOR - BASE FOR FRINGE ALLOCATION</b>	<u>\$ 409,219</u>	<u>\$ 387,432</u>	<u>\$ 21,787</u>
<b>Fringe Benefits</b>			
Annual / Vacation	\$ 28,413	\$ 26,279	\$ 2,134
Sick leave	7,691	13,088	(5,397)
Holiday	21,684	26,917	(5,233)
Other leave	<u>1,990</u>	<u>127</u>	<u>1,863</u>
Subtotal Fringe Benefit Wages	<u>\$ 59,778</u>	<u>\$ 66,411</u>	<u>\$ (6,633)</u>
<b>Other Fringe Benefits</b>			
Medicare	\$ 6,801	\$ 6,581	\$ 220
Employment services	608	696	(88)
Life	1,096	1,188	(92)
Hospitalization	134,046	137,135	(3,089)
OPERS	67,288	66,012	1,276
Vision / Dental / Wellness	5,300	5,046	254
Workers' Compensation	<u>287</u>	<u>540</u>	<u>(253)</u>
Subtotal Other Fringe Benefits	<u>\$ 215,426</u>	<u>\$ 217,198</u>	<u>\$ (1,772)</u>
<b>TOTAL FRINGE BENEFITS</b>	<u>\$ 275,204</u>	<u>\$ 283,609</u>	<u>\$ (8,405)</u>
<b>Indirect Costs</b>			
Salaries – indirect only	\$ 100,456	\$ 90,931	\$ 9,525
Fringe benefits for indirect salaries	67,558	66,563	995
Travel Expenses	3,000	103	2,897
Equipment - Expensed	5,000	3,142	1,858
Indirect - Depreciation Expense	2,000	33,588	(31,588)
Computer and Internet Repairs Exp	3,000	1,758	1,242
Supplies & Materials	7,000	8,134	(1,134)
Copier Expense	300	300	-
Legal Expense	200	-	200
Financial Consultant & Publications Exp	2,000	766	1,234
Audit Expense	15,000	13,846	1,154
Software & Training	3,500	1,960	1,540
Rent Expense	39,000	0	39,000
Interest Expense - Leases	0	5,969	(5,969)
Publications Expense	400	294	106
Postage Expense	1,000	868	132
Telephone Expense	3,000	2,547	453
Membership Expense	6,500	633	5,867
Advertising Exp	200	76	124
Insurance Expense	4,000	3,782	218
Meeting / Conference Expense	100	314	(214)
Miscellaneous	<u>900</u>	<u>1,044</u>	<u>(144)</u>
<b>TOTAL INDIRECT COSTS</b>	<u>\$ 264,114</u>	<u>\$ 236,618</u>	<u>\$ 27,496</u>

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

**SCHEDULE OF RATES FRINGE, INDIRECT & COMBINED RATES 2000 TO 2023**

<b>Year</b>	<b>Fringe Rate</b>	<b>Indirect Rate</b>	<b>Combined Rate</b>	<b>Annual Change</b>
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	0.7320	0.7980	1.5300	8%
2024 projected	0.7144	0.8755	1.5899	4%



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2022 TO 2023**

	<u>2022</u>	<u>2023</u>	<u>change</u>	<u>% change</u>
<b>TOTAL INDIRECT COSTS</b>	<b><u>\$223,421</u></b>	<b><u>\$236,618</u></b>	<b><u>\$13,197</u></b>	<b><u>5.91%</u></b>
Personnel	88,797	90,931	2,134	2.40%
Fringe Benefits	60,532	66,563	6,031	9.97%
Travel	223	103	(120)	(53.81)%
Equipment Cost	2,666	3,442	776	29.11%
Depreciation	3,395	33,588	30,193	889.34%
Computer / Internet Repairs	1,699	1,758	59	3.47%
Supplies	4,799	8,134	3,335	69.49%
Financial Consultant / Publications	691	766	75	10.85%
Audit Services	11,020	13,846	2,826	25.64%
Software / Training	1,818	1,960	142	7.81%
Rent	39,000	0	(39,000)	(100.00)%
Interest Exp - Leases	0	5,969	5,969	100.00%
Publications	289	294	5	1.73%
Postage	760	868	108	14.21%
Telephone	1,969	2,547	578	29.36%
Membership	985	633	(352)	(35.74)%
Advertising	39	76	37	94.87%
Insurance	3,678	3,782	104	2.83%
Miscellaneous	1,061	1,358	297	27.99%
<b>INDIRECT COST RATE</b>	<b>73.85%</b>	<b>79.80%</b>	<b>5.95%</b>	<b>8.06%</b>
	<u>2022</u>	<u>2023</u>	<u>change</u>	<u>% change</u>
<b>TOTAL FRINGE BENEFITS</b>	<b><u>\$266,775</u></b>	<b><u>\$283,609</u></b>	<b><u>\$16,834</u></b>	<b><u>6.31%</u></b>
Salary Benefits	62,151	66,411	4,260	6.85%
Payroll Benefits	8,458	7,817	(641)	(7.58)%
Health Insurance	123,813	137,135	13,323	10.76%
Ohio PERS	69,256	66,012	(3,244)	(4.68)%
Miscellaneous Fringe Benefits	3,098	6,234	3,136	101.23%
<b>FRINGE BENEFIT RATE</b>	<b>68.17%</b>	<b>73.20%</b>	<b>5.03%</b>	<b>7.38%</b>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES INDIRECT COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	\$ 90,931	640	\$ 91,571
Fringe benefits	66,563	468	67,031
Travel	103		103
Equipment Costs	38,489	23	38,512
Supplies	8,748	23	8,771
Dues and publications	294		294
Audit and personal service contracts	14,612		14,612
Software / Training expense	1,960		1,960
Lease Interest	5,969		5,969
Postage	867		867
Telephone	2,547		2,547
Advertising	76		76
Insurance	3,782		3,782
Other	1,677	5,646	7,323
	<hr/>	<hr/>	<hr/>
Government-Wide Level	236,618	6,800	243,418
		Depreciation	<u>(33,588)</u>
			<hr/>
		Total, Fund Level	<u>\$ 209,830</u>

**INDIRECT COST RATE  
COMPUTATION**

<u>Total Indirect Costs</u>	<u>\$ 236,618</u>	=	79.80%
Direct Personnel Costs	\$ 296,501		

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF FRINGE BENEFITS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>SALARY BENEFITS</b>	\$ 66,411
Payroll Benefits:	
Medicare	6,581
Unemployment Insurance	696
Worker's Compensation	<u>540</u>
	7,817
 Other Benefits:	
Health Insurance	137,135
Life Insurance	1,188
Dental/Vision/ Wellness	5,046
Ohio PERS	<u>66,012</u>
	<u>209,381</u>
 Total Fringe Benefits	 <u>\$ 283,609</u>

**FRINGE BENEFIT RATE COMPUTATION**

<u>TOTAL FRINGE BENEFITS</u>	<u>283,609</u>	=	73.20%
TOTAL PERSONNEL COSTS	387,432		

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2023**

	<i>REVENUE RECORDED</i>				<i>EXPENSE RECORDED</i>				
	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Total</b>	<b>Personnel</b>	<b>Fringe Benefits</b>	<b>Indirect</b>	<b>Other</b>	<b>Total</b>
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	\$ 101,361	\$12,670	\$12,670	\$126,701	\$45,784	\$33,514	\$36,536	\$10,867	\$126,701
OH Short Range	11,010	1,376	1,376	13,762	5,426	3,972	4,330	34	13,762
OH TIP	28,214	3,526	3,527	35,267	13,605	9,958	10,857	847	35,267
OH Surveillance	28,336	3,541	3,542	35,419	12,792	9,363	10,207	3,057	35,419
WV Department of Transportation	43,851	5,481	5,481	54,813	19,471	14,252	15,538	5,552	54,813
WV Short Range	8,646	1,081	1,081	10,808	4,262	3,119	3,401	26	10,808
WV TIP	22,156	2,770	2,769	27,695	10,683	7,821	8,526	665	27,695
WV Surveillance	22,254	2,782	2,783	27,819	10,045	7,354	8,017	2,403	27,819
Ohio Long Range Finance Element									
Ohio Department of Transportation	11,966	1,495	1,496	14,957	5,910	4,326	4,716	5	14,957
WV Department of Transportation	9,397	1,175	1,170	11,742	4,640	3,396	3,704	2	11,742
WV Coordination Plan									
WV Department of Transportation		7,969	1,992	9,961	3,886	2,845	3,101	129	9,961
Ohio Mobility & Active									
Ohio Department of Transportation	58,623			58,623	22,578	16,527	18,017	1,501	58,623
Federal Transit Administration									
Transit Technical Studies: CPG Transit Plng									
Ohio Department of Transportation	6,997	875	875	8,747	3,436	2,515	2,742	54	8,747
WV Department of Transportation	7,641	955	955	9,551	3,704	2,711	2,956	180	9,551

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

**SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2023**

	<i>REVENUE RECORDED</i>				<i>EXPENSE RECORDED</i>				
	<b>Federal</b>	<b>State</b>	<b>Local</b>	<b>Total</b>	<b>Personnel</b>	<b>Fringe Benefits</b>	<b>Indirect</b>	<b>Other</b>	<b>Total</b>
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/22 – 12/31/22	\$42,449	\$18,706	\$28,079	\$89,234	\$22,880	\$15,391	\$19,624	\$31,339	\$89,234
302(a)(1) 01/01/23– 06/30/23	33,719	16,294	13,090	63,103	23,530	18,581	17,412	3,580	63,103
U. S. Department of Commerce Partnership Planning Program									
WV Economic Development	70,000	30,000	41,174	141,174	29,922	21,903	23,877	65,472	141,174
U.S. Department of Commerce									
State DEP Grant Prg – Digital Equity	15,607			15,607	4,677	3,423	3,732	3,775	15,607
BEAD Program	21,069			21,069	5,023	3,677	4,009	8,360	21,069
U. S. Department of Commerce Economic Adjustment Assistance									
EDA Cares Act	54,100		(43)	54,057	20,253	14,825	16,162	2,817	54,057
U. S. Environmental Protection Agency									
Brownsfield 7/2020 TO 9/2024	203,738			203,738	3,948	2,890	3,150	193,750	203,738
U.S. Department of Homeland Security Federal Emergency Management Agency									
WV Hazard Mitigation Plan	15,000		5,000	20,000				20,000	20,000

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

**SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2023**

Projects and Programs	<i>REVENUE RECORDED</i>				<i>EXPENSE RECORDED</i>				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Indirect	Other	Total
Jefferson County Broadband			\$42,061	\$42,061	\$707	\$518	\$564	\$40,272	\$42,061
Hammond Water Improvement			6,293	6,293	2,487	1,821	1,985		6,293
Tomlinson Water			10,402	10,402	4,111	3,010	3,281		10,402
Wellsburg Water			4,759	4,759	1,881	1,377	1,501		4,759
Brooke Co Sewer I/c			6,529	6,529	2,581	1,889	2,059		6,529
Washington Pike PSD Water			1,417	1,417	560	410	447		1,417
Brooke Co ARPA Proj 2			354	354	140	102	112		354
Brooke Co ARPA Proj 3			1,078	1,078	426	312	340		1,078
Weirton Sewer Capacity			3,621	3,621	1,431	1,048	1,142		3,621
Weirton Water Capacity			5,252	5,252	2,076	1,519	1,657		5,252
New Cumberland Sewer			3,284	3,284	1,298	950	1,036		3,284
New Cumberland Water			1,009	1,009	399	292	318		1,009
BDC (2) - Brownsfield Coalition		-	3,345	3,345	1,309	958	1,044	34	3,345
<b>TOTALS</b>	<b><u>\$816,134</u></b>	<b><u>\$110,696</u></b>	<b><u>\$216,421</u></b>	<b><u>\$1,143,251</u></b>	<b><u>\$295,861</u></b>	<b><u>\$216,569</u></b>	<b><u>\$236,100</u></b>	<b><u>\$394,721</u></b>	<b><u>\$1,143,251</u></b>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023. 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, 2023**

FEDERAL GRANTOR State Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF COMMERCE</b>			
Economic Development Support for Planning Organizations Direct Award West Virginia Economic Development	11.302	FED19PHI3020078	\$ 70,000
Economic Adjustment Assistance/ Cares Act Supplemental EDA Awards for EDDs Direct Award West Virginia Economic Development	11.307	FED20PHI3070073	54,100
State DEP Grant Programs / Broadband Digital Equity Passed Through West Virginia EDA Region XI	11.302	23IIJA - RP#11	15,607
Broadband BEAD Program Passed Through West Virginia EDA Region XI	11.302	23IIJA - RP#11	<u>21,069</u>
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>			<b>160,776</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Federal Highway Administration Highway Planning and Construction Cluster: Pass-through from Ohio Department of Transportation Consolidated Planning Grant SFY 2023 STP - Regional Transportation Planning Program	20.205	PID 116044 PID 111478	187,884 <u>58,623</u>
Total CFDA #20.205 Passed Through ODOT			246,507
Pass-through from WV Department of Transportation Consolidated Planning Grant		OL 603	<u>113,945</u>
Total CFDA #20.205 Passed Through WVDOT			<u>113,945</u>
Total Highway Planning and Construction Cluster			<u>360,452</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>360,452</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>			
Appalachian Local Development District Pass-through WV Development Office ARC Administrative - 2022 ARC Administrative - 2023	23.009	WV-2436-C49-22 WV-2436-C50-23	42,449 <u>33,719</u>
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>			<b>76,168</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Direct Award Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96378801	<u>203,738</u>
<b>TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			<b>203,738</b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed Through WV Emergency Management Division Local Mitigation Plan Update	97.039	FEMA-DR-4517-WV -0002	<u>15,000</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>15,000</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ <u>816,134</u></b>

The accompanying notes are an integral part of this schedule.



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**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, 2023. 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.

**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, 2023, 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 4, 2024.

***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.

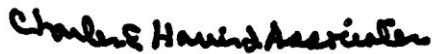
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***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, Inc.*  
January 4, 2024

**Charles E. Harris & Associates, Inc.**

*Certified Public Accountants*

5510 Pearl Road Ste 102

Parma, OH 44129-2550

Phone - (216) 575-1630

Fax - (216) 436-2411

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

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 Program**

***Opinion on the Major Federal Program***

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 program for the year ended June 30, 2023. The Commission's major federal program is 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 program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

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 program. 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 4, 2024

**Brooke-Hancock-Jefferson Metropolitan Planning Commission**  
**Jefferson County**  
*Schedule of Findings*  
*2 CFR § 200.515*  
*June 30, 2023*

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Highway Planning and Construction Cluster – ALN # 20.205
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	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 3/26/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)