

**REGION 8 PLANNING AND
DEVELOPMENT COUNCIL**

FINANCIAL AND COMPLIANCE REPORTS

YEAR ENDED JUNE 30, 2021



ASSURANCE, TAX & ADVISORY SERVICES

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Council Members
Region 8 Planning and Development Council

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Region 8 Planning and Development Council (Council), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinions, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Council, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 4-8 and 37-42, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, 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*, is presented for purposes of additional analysis and is not a required part of the basic financials. The accompanying schedules listed in the table of contents as supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2022 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Council'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 Council's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
September 2, 2022

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

BACKGROUND

The Region 8 Planning and Development Council (Council) is one of eleven regional councils created in 1972 under the West Virginia Regional Planning and Development Act. The Council is a West Virginia special purpose unit of government that is governed by a council comprised of mayors, county commissioners, and private sector representatives. While the Council has no ability to levy taxes, its properly adopted contribution request becomes a mandatory obligation of its member governments. The Council maintains its principal office in the Grant County Industrial Park, Petersburg, WV.

USING THIS ANNUAL REPORT

Content of the Report

The Council has prepared a series of financial statements that it hopes will allow member governments, funding agencies and the general public to assess the Council's fiscal year 2021 financial activity and the change in its financial condition during fiscal year 2021. The Council presents the following major statements:

- **Statement of Net Position** – This provides a statement of assets, deferred outflows of resources, liabilities, and deferred inflows of resources on an organization-wide basis as of June 30, 2021. This provides the simplest display of the Council's financial condition at June 30, 2021. The statement lacks detail on funds as shown on the Balance Sheet.
- **Statement of Activities** – This provides a statement of expenses, revenues, and change in net position by function/program during fiscal year 2021. The net position as of June 30, 2021 is the result of the activity portrayed on this statement.
- **Balance Sheet** – This provides the traditional statement of assets and liabilities and provides the total fund balances as of June 30, 2021. The information contained in this statement is similar to that on the Statement of Net Position, excluding long-term assets and long-term liabilities. However, the Balance Sheet provides detail by general and special revenue funds.
- **Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds** – This provides the traditional statement of revenue and expenditures by fund for the entire agency on a modified accrual basis of accounting. While similar to the Statement of Activities, this statement provides details on budget line items instead of functions.

The audit report also presents various notes to the listed statements in an effort to provide detail and clarification.

Statements of Revenues and Expenditures for various grant programs are included as Supplemental Schedules. The Council presents these to allow funding agencies to track the receipt and expenditure of their money.

The fiscal year 2021 audit also contains a Compliance Section, which contains the Schedule of Expenditures of Federal Awards and related notes, the 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*, the Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance, and the Schedule of Findings and Questioned Costs.

Reporting the Council as a Whole

The Statement of Net Position and Statement of Activities

It is essential that the Council be able to explain the stewardship of financial resources in its care to the public. The Council presents the Statement of Net Position and Statement of Activities to allow the public to determine if the Council as a whole has the financial ability to sustain the services that it provides. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to accounting in the business community. The Statement of Activities provides an accounting of revenue and expenses by program.

One can assess the Council's ability to sustain its efforts by examining these statements. Net position reflects the difference between what the Council owns and what it owes. The difference between revenues and expenses as reported on the Statement of Activities changes the net position for the current year. The change in net position over time is the best indicator of an organization's ability to sustain operations. As with businesses, growth in net position reflects an increased ability to sustain operations. However, one must pay attention to critical details including the rates of change in revenues and expenses and the mix of assets that comprise the net position. Finally, the non-financial factors that enter governmental decision-making may cause deviation from the desire of businesses to maximize growth of net position over the long term. However, the Council must rationally explain these deviations to the public.

Reporting the Most Significant Funds

Fund Financial Statements

The Council accounts for financial resources through two governmental funds:

- **The General Fund** – this fund accounts for resources the Council controls without restriction from a funding agency.
- **Special Revenue Fund** – this fund accounts for resources from the state and federal governments that are restricted to providing specific services as outlined in the grant awards.

The Balance Sheet as of June 30, 2021, and the Statement of Revenues Expenditures, and Changes in Fund Balances – Governmental Funds report detailed information about the Council's funds as opposed to the Council as a whole. The Council designates these funds to help it manage resources and comply with various program regulations. The Council only has governmental funds.

The Council reports its operations in governmental funds that focus on revenues and expenditures and year-end balances. The Council uses modified accrual accounting to account for these funds. The governmental fund statements allow one to gain an understanding of how the Council has used resources for given operations and of resources that are available in the near term for given operations or sets of operations. A Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities describes the relationship between governmental activities and governmental funds.

Again, the notes provide additional information and clarification to allow a better understanding of the information reported in the statements.

THE COUNCIL AS A WHOLE

As reported within the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds, during fiscal 2021, the Council expended \$10,446,140. These same activities produced revenues of \$10,636,317 during fiscal year 2021. The Council had a net change in fund balances of \$190,177. As reported on the Statement of Activities, the Council had a change in net position of \$336,707 during fiscal year 2021. The Council had net position of \$976,429 at the end of fiscal year 2021. Table 1 provides additional details including a comparison to fiscal year 2020.

Table 1 – Fiscal Years 2021 and 2020 Expenses and Revenues

| | 2021 | 2020 | <u>Percent Change</u> 2020 to 2021 |
|--|-------------------|--------------|---------------------------------------|
| Governmental Activities: | | | |
| Expenses | \$ 10,304,568 | \$ 8,807,035 | 17.00% |
| Program revenues | 10,618,607 | 8,910,556 | 19.17% |
| | <hr/> | | |
| Change in net position, Governmental Activities | 314,039 | 103,521 | 203.36% |
| General Revenues | 22,668 | 23,135 | (2.02%) |
| | <hr/> | | |
| Change in net position | 336,707 | 126,656 | 165.84% |
| Net Position, beginning | 639,722 | 513,066 | 24.69% |
| | <hr/> | | |
| Net Position, ending | \$ 976,429 | \$ 639,722 | 52.63% |
| | <hr/> <hr/> | | |

Similar to fiscal year 2020, during fiscal year 2021, the Council experienced an increase in net position as a result of governmental activities. This increase resulted from a decline in revenue shortfalls in the general operations as the Council has experienced in the past and adjustments to deferred outflows due to pension plans and other post employment benefits.

As noted, the Council ended fiscal year 2021 with a net position of \$976,429. Capital assets comprised about 15% of the Council's net position in the amount of \$147,757. Restricted net position represents amounts restricted for the economic development revolving loan program and micro loan program in the amount of \$397,373. Unrestricted net position was \$431,299 at June 30, 2021, an increase of \$204,182 as compared to unrestricted net position at June 30, 2020.

THE COUNCIL'S FUNDS

The Council expended \$116,027 through its General Fund during fiscal year 2021. This included expenditures of \$48,037 for staff (Personnel and Fringe), \$34,619 for grant match, and \$11,727 for allocated costs. Staff cost accounted for 41.4% of all expenditures and allocated costs accounted for 10.1%. In fiscal year 2020, staff cost accounted for 34.2% of all General Fund expenditures. The overall costs for staff expenditures in the General Fund remained stable in fiscal year 2021. The amount listed as expended for grant match just slightly decreased from fiscal year 2020. This represents stabilization in program matching requirements for fiscal year 2021. The General Fund had revenue of \$156,204 during fiscal year 2021. Approximately 49% of all General Fund revenue came from charges for services, mostly from the use of agency vehicles. Other income including local contributions and use of money and property totaled \$79,845 in fiscal year 2021 or 51% of all General Fund revenue.

The Council expended \$10,330,113 through its Special Revenue Fund during fiscal year 2021. This included \$1,184,627 for staff, \$364,562 for allocated costs, and \$221,372 for stipends to program participants. Staff costs accounted for 11.5% of all fund expenditures. The amount expended for staffing by the fund decreased slightly from fiscal year 2020. The stabilization represents generally no change in staffing from fiscal year 2020. Allocated costs and stipends accounted for 3.5% and 2.2% of the costs, respectively, and expenditures for these items remained relatively stable. Grants from the federal government accounted for 42.6% of all revenue during fiscal year 2021. Charges for services provided \$107,366 or about 1.02% of revenue during fiscal year 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

During fiscal year 2021, the Council experienced a small decrease in capital assets. The Council began fiscal year 2021 with \$165,232 in net capital assets. Mainly due to accumulated depreciation, the Council ended fiscal year 2021 with \$147,757 in net capital assets, including buildings and vehicles.

Pension Plan Liability

Based on assumptions provided by plan administrators for deferred outflows and inflows and changes in the net pension liability, the Council's net pension liability for the end of fiscal year 2021 was \$225,235.

Other Postemployment Benefits

In fiscal year 2010, the Council began accruing funds to cover expenses for the annual retirement contribution for their other postemployment benefits (OPEB) liability, administered by the West Virginia Public Employee's Insurance Agency (PEIA). The State began invoicing the Council based on the number of employees covered by PEIA insurance. Although the State did not require payment of the invoices at that time, the Council began accruing the costs and placing the funds into a separate checking account. However, in 2012, the West Virginia State Legislature passed Senate Bill 469. Senate Bill 469 states that the OPEB liability will be eliminated by the year 2035 using a pre-funding source. However, the Council must maintain the liability in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 75 and this is reflected in the overall financial status of the agency. The total amount of OPEB liability for the Council at the end of fiscal year 2021 was \$52,211.

Debt Administration

The Council has one note payable outstanding in the amount of \$32,250. This represents an obligation the Council has to the West Virginia Economic Development Authority. The debt has no interest charge and will become due on June 30, 2042.

ECONOMIC FACTORS

The Council is highly dependent on the federal and state governments for operational funding. Decisions in Washington, D.C. and City of Charleston, WV have great bearing on the Council's ability to maintain current operations.

The core funding programs that support basic planning and development operations appear stable. The Council feels that its financial position is sound and that it can maintain critical operations. With the implementation of both GASB No. 68 and No. 75, the Council's overall net position as shown in its financial statements provides a better representation of the Council's financial position.

FURTHER INFORMATION

This financial report provides a general overview of the Council's finances for all interested organizations and persons. The Council recognizes that it may need to clarify the information that it has provided and that individuals may have a need for more detailed information. Individuals and organizations having questions or requiring additional information should contact:

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BASIC FINANCIAL STATEMENTS

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

STATEMENT OF NET POSITION

June 30, 2021

| | Primary Government <hr/> Governmental Activities |
|---|---|
| ASSETS | |
| Cash and cash equivalents | \$ 740,741 |
| Accounts receivable | 207,894 |
| Due from other governments | 1,080,173 |
| Notes receivable | 139,562 |
| Prepaid items | 159,384 |
| Capital assets: | |
| Buildings and improvements | 519,393 |
| Vehicles and equipment | 86,054 |
| Less: accumulated depreciation and amortization | (457,690) |
| Total assets | <hr/> 2,475,511 <hr/> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension plan | 178,595 |
| Other postemployment benefits | 27,090 |
| Total deferred outflows of resources | <hr/> 205,685 <hr/> |
| LIABILITIES | |
| Accounts payable | 982,145 |
| Accrued payroll and benefits | 61,919 |
| Other accrued liabilities | 6,926 |
| Unearned revenue | 7,214 |
| Due to other governments | 4 |
| Noncurrent liabilities: | |
| Due within one year: | |
| Compensated absences | 32,837 |
| Due in more than one year: | |
| Note payable | 32,250 |
| Compensated absences | 16,986 |
| Other postemployment benefits | 52,211 |
| Net pension liability | 225,235 |
| Total liabilities | <hr/> 1,417,727 <hr/> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension plan | 47,817 |
| Other postemployment benefits | 239,223 |
| Total deferred inflows of resources | <hr/> 287,040 <hr/> |
| NET POSITION | |
| Net investment in capital assets | 147,757 |
| Restricted | 397,373 |
| Unrestricted | 431,299 |
| Total net position | <hr/> \$ 976,429 <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

| Entity/Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--------------------------------------|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Change in Net Position |
| | | | | | Primary Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General operations | \$ (25,545) | \$ 76,359 | \$ 71,235 | \$ - | \$ 173,139 |
| Economic development | 395,847 | 107,366 | 432,530 | - | 144,049 |
| General welfare | 9,934,266 | - | 9,931,117 | - | (3,149) |
| Total governmental activities | 10,304,568 | 183,725 | 10,434,882 | - | 314,039 |
| Total primary government | \$ 10,304,568 | \$ 183,725 | \$ 10,434,882 | \$ - | 314,039 |
| General revenues: | | | | | |
| Use of money and property | | | | | 12,385 |
| Miscellaneous | | | | | 10,283 |
| Total general revenues | | | | | 22,668 |
| Change in net position | | | | | 336,707 |
| Net position, beginning | | | | | 639,722 |
| Net position, ending | | | | | \$ 976,429 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2021

| | General | Special Revenue | Total Governmental Funds |
|--|-------------------|---------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 740,741 | \$ - | \$ 740,741 |
| Accounts receivable | 207,894 | - | 207,894 |
| Due from other governments | - | 1,080,173 | 1,080,173 |
| Notes receivable | - | 139,562 | 139,562 |
| Prepaid items | 9,384 | 150,000 | 159,384 |
| Due from other funds | 26,410 | - | 26,410 |
| Total assets | \$ 984,429 | \$ 1,369,735 | \$ 2,354,164 |
| LIABILITIES | | | |
| Accounts payable | \$ 42,100 | \$ 940,045 | \$ 982,145 |
| Accrued payroll and benefits | 94,756 | - | 94,756 |
| Other accrued liabilities | 6,926 | - | 6,926 |
| Unearned revenue | 1,307 | 5,907 | 7,214 |
| Due to other governments | 4 | - | 4 |
| Due to other funds | - | 26,410 | 26,410 |
| Total liabilities | 145,093 | 972,362 | 1,117,455 |
| FUND BALANCES | | | |
| Nonspendable | 9,384 | 150,000 | 159,384 |
| Assigned | 321,660 | - | 321,660 |
| Restricted: | | | |
| Economic development revolving loan | - | 345,097 | 345,097 |
| Micro loan | - | 52,276 | 52,276 |
| Unassigned | 508,292 | (150,000) | 358,292 |
| Total fund balances | 839,336 | 397,373 | 1,236,709 |
| Total liabilities and fund balances | \$ 984,429 | \$ 1,369,735 | \$ 2,354,164 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2021

| | Governmental Funds |
|--|--------------------------|
| Total fund balances - governmental funds | \$ 1,236,709 |
| <p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> | |
| <p>Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.</p> | |
| Governmental capital assets | \$ 605,447 |
| Less: accumulated depreciation and amortization | <u>(457,690)</u> |
| Net capital assets | 147,757 |
| <p>Deferred outflows of resources represent a consumption of net position that applies to a future period and, therefore, are not recognized as expenditures in the governmental funds until then.</p> | |
| Pension plan | 178,595 |
| Other postemployment benefits | 27,090 |
| <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.</p> | |
| Note payable | (32,250) |
| Net pension liability | (225,235) |
| Other postemployment benefits liability | (52,211) |
| Compensated absences | <u>(16,986)</u> |
| | (326,682) |
| <p>Deferred inflows of resources represent an acquisition of net position that applies to a future period and, therefore, are not recognized as revenue in the governmental funds until then.</p> | |
| Pension plan | (47,817) |
| Other postemployment benefits | <u>(239,223)</u> |
| Net position of governmental activities | <u><u>\$ 976,429</u></u> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

Year Ended June 30, 2021

| | General | Special Revenue | Total Governmental Funds |
|------------------------------------|----------------|--------------------|--------------------------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| Federal grants | \$ - | \$ 4,460,701 | \$ 4,460,701 |
| State grants | - | 5,711,811 | 5,711,811 |
| Local contributions | 66,277 | 35,000 | 101,277 |
| Charges for services | 76,359 | 107,366 | 183,725 |
| Use of money and property | 6,434 | 5,951 | 12,385 |
| In-kind | - | 156,135 | 156,135 |
| Miscellaneous | 7,134 | 3,149 | 10,283 |
| | <hr/> | | |
| Total revenues | 156,204 | 10,480,113 | 10,636,317 |
| | <hr/> | | |
| Expenditures: | | | |
| Personnel | 36,688 | 995,179 | 1,031,867 |
| Fringe | 11,349 | 189,448 | 200,797 |
| Travel | - | 12,208 | 12,208 |
| Printing and supplies | 427 | 52,033 | 52,460 |
| Rent | - | 1,500 | 1,500 |
| Telephone and utilities | 1,122 | 8,635 | 9,757 |
| Allocated costs | 11,727 | 364,562 | 376,289 |
| Insurance | - | 3,438 | 3,438 |
| Advertising | 440 | 7,317 | 7,757 |
| Maintenance | 58 | - | 58 |
| Professional fees and contracts | - | 31,830 | 31,830 |
| Participant support | - | 39,759 | 39,759 |
| Stipends | - | 221,372 | 221,372 |
| In-kind | - | 156,135 | 156,135 |
| Other | 16,987 | 3,738 | 20,725 |
| Grant cash match | 34,619 | - | 34,619 |
| Subgrants | - | 8,227,484 | 8,227,484 |
| Capital outlay | 2,610 | 15,475 | 18,085 |
| | <hr/> | | |
| Total expenditures | 116,027 | 10,330,113 | 10,446,140 |
| | <hr/> | | |
| Net change in fund balances | 40,177 | 150,000 | 190,177 |
| | <hr/> | | |
| Fund balances, beginning | 799,159 | 247,373 | 1,046,532 |
| | <hr/> | | |
| Fund balances, ending | \$ 839,336 | \$ 397,373 | \$ 1,236,709 |
| | <hr/> <hr/> | | |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2021**

| | Governmental Funds | |
|---|--------------------|----------------|
| Net change in fund balances - total governmental funds | \$ | 190,177 |
| Reconciliation of amounts reported for governmental activities in the Statement of Activities: | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.</p> | | |
| Depreciation and amortization expense | | (17,475) |
| State of West Virginia other postemployment benefits support | | 4,958 |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p> | | |
| Changes in pension liability and related deferred outflows and inflows of resources | 57,172 | |
| Compensated absences | 219 | |
| Changes in OPEB liability and related deferred outflows and inflows of resources | 101,656 | |
| | | 159,047 |
| Change in net position of governmental activities | \$ | 336,707 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of Region 8 Planning and Development Council (the Council) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Council was established under Chapter 8, Article 25 of the *Code of West Virginia*. The region for which the Council was created and maintained includes Grant, Hampshire, Hardy, Mineral, and Pendleton Counties in West Virginia.

The purpose of the Council is to comprehensively plan and perform development in the region and to promote and protect through the joint participation of citizens and elected officials, the social, economic, educational, environmental, and general welfare of the citizens in the region.

The Council has no component units as defined by the GASB.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which generally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Council does not have any business-type activities to report.

Statement of Net Position: The Statement of Net Position is designed to display the financial position of the primary government. Governments will report all capital assets in the government-wide Statement of Net Position and will report depreciation and amortization expense, the cost of “using up” capital assets, in the Statement of Activities. The net position of a government will be broken down into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities: 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. Program revenues include 1) charges to applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not classified as program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the Council only has two – the General Fund and the Special Revenue Fund.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

The Council allocates indirect expenses primarily comprised of administrative support services to operating functions and programs benefiting from those services. Allocations are charged to programs based on use of administrative services determined by various allocation methodologies.

The Council reports the following major governmental funds:

General Fund: This fund is the Council's primary operating fund. It accounts for and reports all financial resources of the Council.

Special Revenue Fund: This fund accounts for proceeds of specific revenue sources (primarily grants) that are legally restricted to expenditure for specified purposes.

During the course of operations the Council has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances

1. Cash and Cash Equivalents

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Receivables

Accounts receivable represents billings for services rendered but not received as of June 30, 2021. Notes receivable consists primarily of loans to small businesses.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Council as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. There were no impaired capital assets at June 30, 2021.

Property and equipment of the Council are depreciated and amortized using the straight-line method over the following estimated useful lives:

| | |
|----------------------------|------------|
| Buildings and improvements | 5-39 years |
| Vehicles | 5 years |
| Equipment | 5 years |

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The items comprising the deferred outflows of resources relate to the pension and other postemployment benefits (OPEB) plans. See Notes 9 through 10 for details regarding these items.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The items comprising the deferred inflows of resources relate to the pension and OPEB plans. See Notes 9 through 10 for details regarding these items.

6. Compensated Absences

The Council's policy permits employees to accumulate earned but unused annual leave benefits, which are eligible for payment upon separation from service. Certain grant programs allow for the billing of annual leave earned per pay period for employees whose payroll is charged to the program. For amounts billed to grant programs but unused at year end, a liability is recorded in the governmental funds. Additionally, a liability for unused amounts is recorded in the governmental funds if the liability has matured as a result of employee resignations or retirements. For employees whose pay is not charged to a grant program, a liability for such leave is reported as incurred in the government-wide financial statements. Council employees earn up to 18 vacation days per year and are allowed to carry this time earned over to subsequent fiscal years. Maximum accumulation allowed of vacation days is 30 days.

7. Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

8. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation and amortization, less any outstanding debt related to the acquisition, construction or improvement of those assets.

9. Net Position Flow Assumption

Sometimes the Council will fund outlays for a particular purpose from both restricted (e.g. restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

10. Fund Balance Flow Assumptions

Sometimes the Council will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Council's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

The Council reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in spendable form (such as prepaids);
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by the Council, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Council takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts the Council intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are only reported in the General Fund.

The Council establishes (and modifies or rescinds) fund balance commitments by passage of resolution. This is typically done through adoption and amendment of the budget. Amounts in the assigned fund balance classification are intended to be used by the Council for specific purposes but do not meet the criteria to be classified as committed.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances (Continued)

12. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Public Employees Retirement System (PERS) and additions to/deduction from the PERS's fiduciary net position have been determined on the same basis as they were reported by the PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits (OPEB)

The Council participates in the West Virginia Retiree Health Benefit Trust Other Postemployment Benefit Plan (RHBT), a cost-sharing multiple-employer defined benefit postemployment healthcare plan. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the RHBT, and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the RHBT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for certain pooled investments, money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

14. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Budget

The Council adopts an annual budget for General Fund revenues and expenditures. The budget is prepared using the same accounting basis and practices as are used to account for and prepare the financial reports; thus, the budget presented in this report for comparison to actual is presented in accordance with GAAP.

F. Subsequent Events

The Council has evaluated subsequent events through September 2, 2022, the date on which the financial statements were available to be issued.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash Deposits with Financial Institutions

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Council's bank balance was \$748,253 and \$93,487 of that amount is in excess of insured limits.

Note 3. Unavailable and Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At June 30, 2021, the various components of unearned revenue reported in the governmental fund are as follows:

| | <u>Unearned</u> |
|---|------------------------|
| General Fund: | |
| Advance collection of 2021-2022 contributions | <u>\$ 1,307</u> |
| Special Revenue Fund: | |
| Transitional Housing | 2,180 |
| Other | <u>3,727</u> |
| Total Special Revenue Fund | <u>5,907</u> |
| | <u><u>\$ 7,214</u></u> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 4. Due To/From Other Governments

Amounts due from other governments include the following:

| | |
|------------------------------------|--------------|
| Special Revenue Fund: | |
| Direct Life | \$ 456,193 |
| Title III C Federal Revenue | 200,511 |
| FY20 Federal Carryover | 126,409 |
| FGP | 84,729 |
| SCSEP WV | 53,941 |
| Title III B Federal Revenue | 53,501 |
| ADRC | 42,946 |
| SCSEP VA | 16,559 |
| ARC Admin | 10,983 |
| Title III E Federal Revenue | 10,843 |
| RSVP | 8,674 |
| EDA Cares | 6,037 |
| SHIP MIPPA | 3,322 |
| Title III State Special Allocation | 3,165 |
| Title III B State Income | 1,136 |
| Other | 1,224 |
| | <hr/> |
| | \$ 1,080,173 |
| | <hr/> <hr/> |

Amounts due to other governments include the following:

| | |
|---------------|-------------|
| General Fund: | |
| Other | \$ 4 |
| | <hr/> |
| | \$ 4 |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 5. Notes Receivable

Notes receivable consist of the following:

| | | |
|---|-----------|----------------|
| Two promissory notes from Criterion, Inc. with interest at 4%, due between \$560 and \$591 monthly, including interest. Collateralized by equipment, inventory, accounts receivable and personal guarantee of the owners. | \$ | 82,389 |
| Five promissory notes to various businesses with interest rates ranging from 4% to 9% and maturing on various dates. Collateralized by equipment, inventory, and accounts receivable. | | <u>57,173</u> |
| | <u>\$</u> | <u>139,562</u> |

All loans are made to local businesses using funds from the Title IX (revolving loan) and Micro Loan (Small Business Development) programs.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2021 is as follows:

| | Beginning Balance | Increases | Deletions | Ending Balance |
|---|----------------------|--------------------|-------------|-------------------|
| Governmental activities: | | | | |
| Capital assets being depreciated or amortized: | | | | |
| Buildings and improvements | \$ 519,393 | \$ - | \$ - | \$ 519,393 |
| Equipment | 6,000 | - | - | 6,000 |
| Vehicles | 80,054 | - | - | 80,054 |
| Total capital assets being depreciated or amortized | <u>605,447</u> | <u>-</u> | <u>-</u> | <u>605,447</u> |
| Less accumulated depreciation and amortization for: | | | | |
| Buildings and improvements | 361,194 | 14,942 | - | 376,136 |
| Equipment | 300 | 1,200 | - | 1,500 |
| Vehicles | 78,721 | 1,333 | - | 80,054 |
| Total accumulated depreciation and amortization | <u>440,215</u> | <u>17,475</u> | <u>-</u> | <u>457,690</u> |
| Total capital assets being depreciated or amortized, net | <u>165,232</u> | <u>(17,475)</u> | <u>-</u> | <u>147,757</u> |
| Governmental activities capital assets, net | <u>\$ 165,232</u> | <u>\$ (17,475)</u> | <u>\$ -</u> | <u>\$ 147,757</u> |

All depreciation expense is charged to general operations in the Statement of Activities.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 7. Compensated Absences

Compensated absences activity for the year ended June 30, 2021 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|--------------------------|----------------------|-----------|-----------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Compensated absences | \$ 53,137 | \$ 45,588 | \$ 48,902 | \$ 49,823 | \$ 32,837 |

Of the total compensated absences balance at year-end, \$32,837 is considered short-term and recorded within the governmental funds as a result of being charged and reimbursed by certain grant programs. An additional \$16,986 is recorded on the entity-wide statements.

Note 8. Note Payable

Note payable consists of the following:

Promissory note to the West Virginia Economic Development Authority (WVDEA), no interest, principal due June 30, 2042, unsecured.

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|--------------------------|----------------------|-----------|-----------|-------------------|------------------------|
| Governmental activities: | | | | | |
| Note payable | \$ 32,250 | \$ - | \$ - | \$ 32,250 | \$ - |

Note 9. Pension Plan

A. Plan Description

All full-time Council employees are eligible to participate in the West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple employer defined benefit public employee retirement system administered by the West Virginia Consolidated Public Retirement Board (CPRB). Chapter 5, Article 10 of the *West Virginia State Code* assigns the authority to establish and amend the provisions of the plan to the State Legislature. The CPRB issues a publicly available financial report that includes financial statements for PERS that can be obtained at www.wvretirement.com.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

A. Plan Description (Continued)

PERS provides retirement benefits as well as death and disability benefits. A member is eligible for normal retirement at age 60 with five or more years of service, or at least age 55 with age and service equal to 80 or greater. A member hired after July 1, 2015, may retire at age 62 with 10 years of contributory service. The straight-life annuity retirement benefit is equivalent to two percent of average salary multiplied by years of service. Average salary is the average of the three consecutive highest annual earnings out of the last 15 years of earnings. For all employees hired after July 1, 2015, average salary is the average of the five consecutive highest annual earnings out of the last 15 years of earnings. Terminated members with at least five years of contributory service who do not withdraw their accumulated contributions may elect to receive their retirement annuity beginning at age 62. For all employees hired after July 1, 2015, this age increases to 64 with at least ten years of contributory service.

B. Contributions

The PERS funding policy has been established by action of the State Legislature. Although contributions are not actuarially determined, actuarial valuations are performed to assist State Legislature in establishing contribution rates. For periods prior to July 1, 2015, plan participants contribute 4.5% of compensation. All members hired July 1, 2015 and later contribute 6% of annual earnings. Current policy requires employer contributions of 10% for the years ended June 30, 2021 and 2020. Contributions to the pension plan were \$74,062 and \$55,302 for the years ended June 30, 2021 and 2020, respectively.

C. Net Pension Liability

The Council's net pension liability was measured at June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

At June 30, 2021, the Council reported a liability for the plan of \$225,235 for its proportionate share of the net pension liability. The Council's proportionate share of the net pension liability was based on the projection of the Council's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At June 30, 2020, the Council's proportion was 0.043% as compared to 0.047% at June 30, 2019.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

D. Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

| | |
|--|---|
| Actuarial cost method | Entry age normal |
| Asset valuation method | 4-year, 25% level smoothing of gain or (loss). Gain or (loss) is determined as the actual return on market value during the period less the expected return on the actuarial value of assets |
| Amortization method | Level dollar, fixed period |
| Amortization period | Through fiscal year 2035 |
| Investment rate of return | 7.50% |
| Projected salary increases | 3.35% - 6.50% |
| Inflation rate | 3.00% |
| Discount rate | 7.50% |
| Mortality rates | Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy females - 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted, projected with scale MP-2018 Retired disabled males - 118% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected with scale MP-2018 Retired disabled females - 117% of Pub-2010 General/ Teachers Disabled Female table, headcount weighted, projected with scale MP-2018 |
| Withdrawal rates | 2.50% - 35.88% |
| Disability rates | 0.0% - 0.5% |
| Retirement rates | 12% - 100% |
| Date range in most recent experience study | 2013-2018 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

E. Long-Term Expected Rate of Return

The long-term rates of return on pension plan investments were determined using the building block method in which estimates of expected real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of long-term geometric rates of return are summarized below:

| Asset Class | Target Allocation | Long-Term Expected Rate of Return | Weighted Average Expected Rate of Return |
|----------------------|-------------------|-----------------------------------|--|
| Domestic Equity | 27.50% | 5.50% | 1.60% |
| International Equity | 27.50% | 7.00% | 2.12% |
| Fixed Income | 15.00% | 2.20% | 0.50% |
| Real Estate | 10.00% | 6.60% | 0.61% |
| Private Equity | 10.00% | 8.50% | 0.88% |
| Hedge Funds | 10.00% | 4.00% | 0.44% |
| Total | <u>100.00%</u> | | <u>6.15%</u> |
| Inflation (CPI) | | | <u>2.00%</u> |
| | | | <u>8.15%</u> |

F. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projections of cash flows used to determine the discount rates assumed that employer contributions will continue to follow current funding policies. Based on those assumptions, the fiduciary net position of each defined benefit pension plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability for the plan.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Council's net pension liability calculated using the current discount rate of 7.5% as well as the Council's net pension liability if it was calculated using a discount rate that is one percentage point lower or one percentage point higher:

| | 1% Decrease (6.50%) | Current Discount Rate (7.50%) | 1% Increase (8.50%) |
|-------------------------------|------------------------|-------------------------------------|------------------------|
| Net Pension (Liability) Asset | \$ (573,870) | \$ (225,235) | \$ 69,542 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan (Continued)

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

For the year ended June 30, 2021, the Council recognized pension expense of \$57,172. The Council also reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in proportion and difference between employer contributions and proportionate share of contributions | \$ - | \$ (33,250) |
| Differences between expected and actual experience | 33,145 | (4,643) |
| Changes difference in assumptions | - | (9,924) |
| Net difference between projected and actual earnings on pension plan investments | 71,388 | - |
| Employer contributions subsequent to the measurement date | 74,062 | - |
| Total | \$ 178,595 | \$ (47,817) |

The \$74,062 reported as deferred outflows of resources related to pensions resulting from the Council's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Amount |
|----------------------|------------------|
| 2022 | \$ 11,343 |
| 2023 | 11,343 |
| 2024 | 11,343 |
| 2025 | 11,343 |
| 2026 | 11,344 |
| | \$ 56,716 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits

A. Plan Description

The Council participates in the West Virginia Other Postemployment Benefit Plan (OPEB Plan), a cost-sharing, multiple employer, defined benefit other postemployment benefit plan as set forth in the *West Virginia Code* Section 5-16D-2 (the Code). The financial activities of the OPEB Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State of West Virginia. The OPEB Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. OPEB Plan benefits are established and revised by PEIA and the RHBT management with approval of their Finance Board. The PEIA issues a publically available financial report of the RHBT that can be obtained at www.peia.wv.gov.

The Council's employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the PERS. RHBT provides medical and prescription drug insurance and life insurance benefits to those qualified participants. Life insurance is provided through a vendor and is fully funded by member contributions. The medical and prescription drug insurance is provided through two options: Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses or External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses.

The RHBT Medicare-eligible retired employees and their Medicare-eligible dependents receive medical and drug coverage from a Medicare Advantage Plan. Under this arrangement, the vendor assumes the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option. The RHBT collects employer contributions for Managed Care Organization (MCO) participants and remits capitation payments to MCO. Survivors of retirees have the option of purchasing the medical and prescription drug coverage.

Eligible participants hired after June 30, 2010, will be required to fully fund premium contributions upon retirement. The Plan is closed to new entrants.

B. Contributions

The Code assigns to the PEIA Finance Board the authority to establish and amend contribution requirements of the plan members and the participating employers. Participating employers are required by Statute to contribute at a rate assessed each year by the RHBT. The annual contractually required rate is the same for all participating employers. Employer contributions represent what the employer was billed during the respective year for their portion of the pay as you go premiums, commonly referred to a paygo, retiree leave conversion billings, and other matters, including billing adjustments. The annual contractually required paygo rates effective June 30, 2021 and 2020 were \$160 and \$168, respectively.

Contributions to the OPEB Plan from the Council were \$18,560 and \$22,848 for the years ended June 30, 2021 and 2020, respectively.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

B. Contributions (Continued)

Members retired before July 1, 1997, pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired between July 1, 1997 and June 30, 2010 pay a subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

Members hired before July 1, 1998, may convert accrued sick or leave days into 100% of the required healthcare contribution.

Members hired from July 1, 1988 to June 30, 2001, may convert accrued sick or leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

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

At June 30, 2021, the Council reported a liability for its proportionate share of the RHBT net OPEB liability that reflected a reduction for State OPEB support provided to the Council. The amount recognized by the Council as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Council was as follows:

| | |
|---|--------------------------------|
| The Council's proportionate share of the net OPEB liability | \$ 52,211 |
| State's special funding proportionate share of the net OPEB liability associated with the Council | <u>11,545</u> |
| Total portion of the net OPEB liability associated with the Council | <u><u>\$ 63,756</u></u> |

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Council's proportion of the net OPEB liability was based on its proportionate share of employer and non-employer contributions to the OPEB Plan for the fiscal year ended on the measurement date. At June 30, 2020, the Council's proportion was 0.01182% as compared to 0.01403% at June 30, 2019.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

C. OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2021, the Council recognized OPEB expense of \$88,040 and for support provided by the State under special funding situations revenue of \$4,958. At June 30, 2021, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in proportion and difference between employer contributions and proportionate share of contributions | \$ 2,800 | \$ (81,997) |
| Differences between expected and actual experience | - | (33,853) |
| Changes in assumptions | - | (117,851) |
| Reallocation of Opt-Out Employer Change in Proportionate Share | - | (3,755) |
| Net difference between projected and actual earnings on OPEB plan investments | 5,730 | (1,767) |
| Employer contributions subsequent to the measurement date | 18,560 | - |
| Total | \$ 27,090 | \$ (239,223) |

The amount of \$18,560 reported as deferred outflows of resources related to OPEB resulting from the Council's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending June 30, | Amount |
|----------------------|-------------------|
| 2022 | \$ 46,139 |
| 2023 | 46,139 |
| 2024 | 46,139 |
| 2025 | 46,139 |
| 2026 | 46,137 |
| | \$ 230,693 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

D. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, and measured as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-------------------------------|--|
| Inflation | 2.75% |
| Salary increases | Dependent upon pension system ranging from 3.00% to 6.50%, including inflation |
| Investment rate of return | 7.15%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Trend rate for pre-Medicare per capita costs of 8.5% for plan year end 2020, decreasing by 0.5% for one year then by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2028. Trend rate for Medicare per capita costs of 3.1% for plan year end 2020, 9.5% for plan year end 2021, decreasing by 0.5% each year thereafter, until ultimate trend rate of 4.5% is reached in plan year end 2031. |
| Actuarial cost method | Entry Age Normal Cost Method |
| Amortization method | Level percentage of payroll over a 20 year closed period |
| Remaining amortization period | 20 years closed as of June 30, 2017 |

Mortality rates were based on the RP-2000 healthy annuity mortality table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 healthy annuitant mortality table projected with Scale MP-2016 on a fully generational basis for Troopers A and B. Pre-retirement: RP-2000 non-annuitant mortality table projected with Scale AA on a fully generational basis for PERS and TRS. RP-2014 employee mortality table projected with Scale MP-2016 on a fully generational basis for Troopers A and B.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

E. Long-Term Expected Rate of Return

The long-term expected rate of return of 6.65% on OPEB Plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the West Virginia Investment Management Board (WVIMB) and an expected short-term rate of return of 2.50% for assets invested with the WVBTL. Long-term pre-funding assets are invested with the WVIMB. The strategic asset allocation consists of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the WVBTL.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

E. Long-Term Expected Rate of Return (Continued)

The long-term rates of return on OPEB Plan investments were determined using a building block method in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was developed for each major asset class. The ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of long-term geometric rates of return are summarized in the following table:

| Asset Class | Long-Term Expected Rate of Return |
|----------------------|---|
| Domestic Equity | 5.5% |
| International Equity | 7.0% |
| Fixed Income | 2.2% |
| Real Estate | 6.6% |
| Private Equity | 8.5% |
| Hedge Funds | 4.0% |

F. Discount Rate

The discount rate used to measure the total OPEB liability was 6.65%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions would be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Future pre-funding assumptions include a \$30 million annual contribution from the State through 2037. Based on those assumptions, and that the plan is expected to be fully funded by fiscal year ending June 30, 2036, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

G. Sensitivity of the Council's Proportionate Share of the Net OPEB liability to Changes in the Discount Rate

The following presents the Council's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the Council's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | 1% Decrease (5.65%) | Current Discount Rate (6.65%) | 1% Increase (7.65%) |
|--------------------|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability | \$ 74,460 | \$ 52,211 | \$ 33,586 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

H. Sensitivity of the Council's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Council's proportionate share of the net OPEB liability, as well as what the Council's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current rates:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--------------------|-------------|--|-------------|
| Net OPEB Liability | \$ 31,416 | \$ 52,211 | \$ 77,327 |

Note 11. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to and illnesses of employees; and natural disasters. The Council has obtained coverage for job-related injuries of employees and health coverage for its employees from a commercial insurance provider and the WVPEIA, respectively. In exchange for the payment of premiums to the commercial insurance provider and WVPEIA, the Council has transferred its risk related to job-related injuries and health coverage for employees.

The Council participates in the West Virginia Board of Risk and Insurance Management to obtain coverage for general liability, property damage, business interruption, errors and omissions, and natural disasters. Coverage is offered in exchange for an annual premium. There were no changes in coverage or claims in excess of coverage for the year ended June 30, 2021.

Note 12. Economic Dependence

The Council is economically dependent on the Federal and West Virginia governments for a major portion of its revenues.

Note 13. Pending GASB Statements

At June 30, 2021, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Council. The statements which might impact the Council are as follows:

GASB Statement No. 87, *Leases*, will increase the usefulness of the Council's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after June 15, 2021.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

GASB Statement No. 92, *Omnibus 2020*, will improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including intra-entity transfers, the effective date of No. 87, *Leases*, the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, terminology used to refer to derivative instruments. Statement No. 92 will be effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, will address accounting and financial reporting implications that result from the replacement of an interbank offered rate—most notably, the London Interbank Offered Rate (LIBOR), which is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Portions of Statement No. 93 will be effective for fiscal years beginning after June 15, 2021, and December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. Statement No. 94 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 will be effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, will increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Statement No. 97 will be effective for fiscal years beginning after June 15, 2021.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 13. Pending GASB Statements (Continued)

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The portion of Statement No. 99 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The portion of the Statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

Management has not determined the effect these new Statements may have on prospective financial statements.

Note 14. Subsequent Events

In October 2021, EDA's federal interest in the Council's Revolving Loan Fund (RLF) program was released.

In March 2022, the Retired and Senior Volunteer Program (RSVP) at the Council closed down. Due to this closure, the Council will no longer be leasing office space that was used for the program after June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY –
WEST VIRGINIA PUBLIC EMPLOYEES’ RETIREMENT SYSTEM**

| | Fiscal Year June 30, | | | | | | |
|---|----------------------|------------|------------|------------|------------|------------|------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Council's proportion of the net pension liability | 0.078% | 0.066% | 0.065% | 0.062% | 0.057% | 0.047% | 0.043% |
| Council's proportionate share of the net pension liability | \$ 286,249 | \$ 369,111 | \$ 600,255 | \$ 265,744 | \$ 147,205 | \$ 101,512 | \$ 225,235 |
| Council's covered payroll | \$ 1,040,124 | \$ 896,421 | \$ 899,933 | \$ 845,225 | \$ 784,520 | \$ 689,872 | \$ 662,033 |
| The Council's proportionate share of the net pension liability as a percentage of its covered payroll | 27.52% | 41.18% | 66.70% | 31.44% | 18.76% | 14.71% | 34.02% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.98% | 91.29% | 86.11% | 93.67% | 96.33% | 96.99% | 92.89% |

Note to Schedule:

(1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

SCHEDULE OF PENSION CONTRIBUTIONS

| | Fiscal Year June 30, | | | | | | | | |
|--|----------------------|------------|------------|------------|------------|------------|------------|------------|--|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Contractually required contribution (CRC) | \$ 150,818 | \$ 125,499 | \$ 121,491 | \$ 101,427 | \$ 72,164 | \$ 76,493 | \$ 55,302 | \$ 74,062 | |
| Contributions in relation to the CRC | 150,818 | 125,499 | 121,491 | 101,427 | 72,164 | 76,493 | 55,302 | 74,062 | |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Employer's covered payroll | \$ 1,040,124 | \$ 896,421 | \$ 899,933 | \$ 845,225 | \$ 784,520 | \$ 689,872 | \$ 662,033 | \$ 684,888 | |
| Contributions as a percentage of covered payroll | 14.50% | 14.00% | 13.50% | 12.00% | 9.20% | 11.09% | 8.35% | 10.81% | |

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY – WEST VIRGINIA PUBLIC EMPLOYEES' RETIREMENT INSURANCE PLAN

| | Fiscal Year June 30, | | | |
|--|----------------------|-------------------|-------------------|------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Council's proportion of the net OPEB liability | 0.01630% | 0.01602% | 0.01403% | 0.01182% |
| Council's proportionate share of the net OPEB liability | \$ 400,804 | \$ 343,785 | \$ 232,843 | \$ 52,211 |
| State's proportionate share of the net OPEB liability associated with the Council | 82,326 | 71,051 | 47,650 | 11,545 |
| Total proportionate share of the net OPEB liability associated with the Council | \$ 483,130 | \$ 414,836 | \$ 280,493 | \$ 63,756 |
| Council's covered payroll | \$ 843,345 | \$ 779,041 | \$ 688,890 | \$ 659,950 |
| Council's proportionate share of the net OPEB liability as a percentage of its covered payroll | 47.53% | 44.13% | 33.80% | 7.91% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 25.10% | 30.98% | 39.69% | 73.49% |

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

SCHEDULE OF OPEB CONTRIBUTIONS

| | Fiscal Year June 30, | | | | |
|--|----------------------|------------|------------|------------|------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Statororily required contribution (SRC) | \$ 33,479 | \$ 32,745 | \$ 28,914 | \$ 22,848 | \$ 18,560 |
| Contributions in relation to the SRC | 33,479 | 32,745 | 28,914 | 22,848 | 18,560 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Council's covered payroll | \$ 843,345 | \$ 779,041 | \$ 688,890 | \$ 659,950 | \$ 686,979 |
| Contributions as a percentage of covered payroll | 3.97% | 4.20% | 4.20% | 3.46% | 2.70% |

Note to Schedule:

- (1) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Council will present information for those years for which information is available.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION Year Ended June 30, 2021

Note 1. Actuarial Changes – Pension Plan

Actuarial valuation assumptions were changed as of June 30, 2020 to reflect the most recent experience study for the years 2013 through 2018:

| Year | Projected Salary Increases | | | Mortality Rates | Withdrawal Rates | | |
|-------------|----------------------------|------------------|----------------|---|-------------------|-------------------|--------------------|
| | State | Nonstate | Inflation Rate | | State | Nonstate | Disability Rates |
| 2020 | 3.10% - 5.30% | 3.35% - 6.50% | 3.00% | Active - 100% of Pub-2010 General Employees table, below-median, headcount weighted, projected generationally with scale MP-2018 Retired healthy males -108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected generationally with scale MP-2018 Retired healthy females - 122% of Pub-2010 General Retiree Female table, below-median, headcount weighted, projected generationally with scale MP-2018 Retired disabled males - 118% of Pub-2010 General/Teachers Disabled Male table, headcount weighted, projected generationally with scale MP-2018 Retired disabled females - 117% of Pub-2010 General/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018 | 2.28% - 45.63% | 2.50% - 35.88% | 0.005% - 0.540% |
| 2019 | 3.10% - 5.30% | 3.35% - 6.50% | 3.00% | Active - RP-2000 Non-Annuitant table, projected with Scale AA on a fully generational basis Retired healthy males - 97% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis Retired healthy females - 94% RP-2000 Healthy Annuitant table, projected with Scale AA on a fully generational basis Retired disabled males - 96% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis Retired disabled females - 101% of RP-2000 Disabled Annuitant table, projected with Scale AA on a fully generational basis | 2.28% - 45.00% | 2.50% - 35.90% | 0.000% - 0.700% |
| 2018 | 3.10% - 5.30% | 3.35% - 6.50% | 3.00% | Active - 100% of Pub-2010 General Employees table, below-median headcount weighted, projected with scale MP-2018 Retired healthy males - 108% of Pub-2010 General Retiree Male table, below-median, headcount weighted, projected with scale MP-2018 Retired healthy females - 122% of Pub-2010 Annuitant, Scale AA fully generational General Retiree Female table, below-median, headcount weighted projected with scale MP-2018 Disabled males - 118% of Pub-2010 General / Teachers Disabled Male table, below-median, headcount weighted, projected with scale MP-2018 Disabled females - 118% of Pub-2010 General / Teachers Disabled Female table, below-median headcount weighted, projected with scale MP-2018 | 2.28% - 45.63% | 2.00% - 35.88% | 0.005% - 0.540% |
| 2017 | 3.00% - 4.60% | 3.35% - 6.00% | 3.00% | Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired Disabled Males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational Retired Disabled Females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational | 1.75% - 26.00% | 2.00% - 31.20% | 0.00% - 0.700% |
| 2016 | 3.00% - 4.60% | 3.35% - 6.00% | 3.00% | Active - 100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males - 110% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females - 101% of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled Males - 96% of RP-2000 Disabled Annuitant, Scale AA fully generational Retired Disabled Females - 107% of RP-2000 Disabled Annuitant, Scale AA fully generational | 1.75% - 35.10% | 2.00% - 35.88% | 0.000% - 0.675% |
| 2015 | 3.00% - 4.60% | 3.35% - 6.00% | 1.90% | Healthy males - 110% of RP-2000 Non-Annuitant, Scale AA Healthy females - 101% of RP-2000 Non-Annuitant, Scale AA Disabled males - 96% of RP-2000 Disabled Annuitant, Scale AA Disabled females - 107% of RP-2000 Disabled Annuitant, Scale AA | 1.75% - 35.10% | 2.00% - 35.80% | 0.000% - 0.675% |
| 2014 | 4.25% - 6.00% | 4.25% - 6.00% | 2.20% | Healthy males - 1983 GAM Healthy females - 1971 GAM setback 1 year Disabled males - 1971 GAM set forward 8 years Disabled females - Revenue Ruling 96-7 | 1.00% - 26.00% | 2.00% - 31.20% | 0.000% - 0.800% |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2021

Note 2. Actuarial Changes – Other Postemployment Benefits Plan

There are no other factors that affect trends in the amounts reported, such as a change in benefit terms, size or composition of the population covered by the benefit terms, or other assumptions.

SUPPLEMENTAL SCHEDULES

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – GENERAL FUND**

Year Ended June 30, 2021

| | General Fund | | | Variance with Final Budget Over (Under) |
|-----------------------------------|------------------|-----------------|-------------------|--|
| | Budgeted Amounts | | Actual Amounts | |
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental: | | | | |
| Local contributions | \$ - | \$ - | \$ 66,277 | \$ 66,277 |
| Charges for services | 245,000 | 245,000 | 76,359 | (168,641) |
| Use of money and property | - | - | 6,434 | 6,434 |
| Miscellaneous | 9,078 | 9,078 | 7,134 | (1,944) |
| Total revenues | 254,078 | 254,078 | 156,204 | (97,874) |
| Expenditures: | | | | |
| Personnel | 110,000 | 110,000 | 36,688 | (73,312) |
| Fringe | 51,500 | 51,500 | 11,349 | (40,151) |
| Travel | 4,600 | 4,600 | - | (4,600) |
| Printing and supplies | 950 | 950 | 427 | (523) |
| Telephone and utilities | 3,750 | 3,750 | 1,122 | (2,628) |
| Allocated costs | 73,750 | 73,750 | 11,727 | (62,023) |
| Maintenance | - | - | 58 | 58 |
| Advertising | - | - | 440 | 440 |
| Other | 450 | 450 | 16,987 | 16,537 |
| Grant cash match | - | - | 34,619 | 34,619 |
| Capital outlay | - | - | 2,610 | 2,610 |
| Total expenditures | 245,000 | 245,000 | 116,027 | (128,973) |
| Net change in fund balance | \$ 9,078 | \$ 9,078 | 40,177 | \$ 31,099 |
| Fund balance, beginning | | | <u>799,159</u> | |
| Fund balance, ending | | | <u>\$ 839,336</u> | |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES –
SPECIAL REVENUE FUND
Year Ended June 30, 2021**

| | Administrative Grant Under Appalachian Regional Development Act | Economic Development Administration - Planning | Economic Development Revolving Loan | Micro Loan | Upper Potomac Area Agency on Aging - Title III | Upper Potomac Area Agency on Aging - Life | Upper Potomac Area Agency on Aging - Resource Center - Region 3 | Upper Potomac Area Agency on Aging - Supplemental Nutrition Assistance Program |
|-----------------------------------|--|---|--|---------------|--|---|--|---|
| Revenues: | | | | | | | | |
| Intergovernmental: | | | | | | | | |
| Federal grants | \$ 73,696 | \$ 288,834 | \$ - | \$ - | \$ 2,933,290 | \$ - | \$ - | \$ - |
| State grants | - | 35,000 | - | - | 2,639,807 | 2,882,608 | 70,000 | - |
| Local contributions | - | 35,000 | - | - | - | - | - | - |
| Charges for services | 107,366 | - | - | - | - | - | - | - |
| Use of money and property | - | - | 3,091 | 2,860 | - | - | - | - |
| In-kind | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | 2,581 |
| Total revenues | 181,062 | 358,834 | 3,091 | 2,860 | 5,573,097 | 2,882,608 | 70,000 | 2,581 |
| Expenditures: | | | | | | | | |
| Personnel | 88,677 | 65,680 | 1,445 | 810 | 115,019 | - | 28,795 | 1,423 |
| Fringe | 26,980 | 26,760 | 312 | 139 | 33,121 | - | 8,306 | 411 |
| Travel | 644 | 507 | - | - | 1,670 | - | 2 | - |
| Printing and supplies | 5,114 | 11,598 | 68 | 67 | 2,813 | - | 5,091 | - |
| Rent | - | - | - | - | - | - | - | - |
| Telephone and utilities | 66 | 972 | - | - | 3,041 | - | 2,594 | - |
| Allocated costs | 59,416 | 56,201 | 872 | 517 | 71,633 | - | 24,783 | 747 |
| Insurance | - | - | - | - | - | - | - | - |
| Advertising | - | 1,227 | - | - | - | - | 31 | - |
| Professional fees and contracts | 140 | 30,000 | 383 | 1,307 | - | - | - | - |
| Participant support | - | - | - | - | - | - | - | - |
| Stipends | - | - | - | - | - | - | - | - |
| In-kind | - | - | - | - | - | - | - | - |
| Other | 25 | 414 | 11 | 20 | 924 | - | 398 | - |
| Subgrants | - | - | - | - | 5,344,876 | 2,882,608 | - | - |
| Capital outlay | - | 15,475 | - | - | - | - | - | - |
| Total expenditures | 181,062 | 208,834 | 3,091 | 2,860 | 5,573,097 | 2,882,608 | 70,000 | 2,581 |
| Revenues over expenditures | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES –
SPECIAL REVENUE FUND
Year Ended June 30, 2021**

| | Upper Potomac Area Agency on Aging - Senior Medicare Patrol | Senior Health Insurance Program - Region 3 | Senior Health Insurance Program - MIPPA | Title V | Foster Grandparent | Retired Senior Volunteer Program | Total |
|-----------------------------------|---|---|--|----------------|-----------------------|---|-------------------|
| Revenues: | | | | | | | |
| Intergovernmental: | | | | | | | |
| Federal grants | \$ - | \$ - | \$ - | \$ 660,772 | \$ 428,249 | \$ 75,860 | \$ 4,460,701 |
| State grants | 20,000 | 44,282 | 20,114 | - | - | - | 5,711,811 |
| Local contributions | - | - | - | - | - | - | 35,000 |
| Charges for services | - | - | - | - | - | - | 107,366 |
| Use of money and property | - | - | - | - | - | - | 5,951 |
| In-kind | - | - | - | 68,667 | 47,753 | 39,715 | 156,135 |
| Miscellaneous | - | - | - | - | 568 | - | 3,149 |
| Total revenues | 20,000 | 44,282 | 20,114 | 729,439 | 476,570 | 115,575 | 10,480,113 |
| Expenditures: | | | | | | | |
| Personnel | 8,460 | 22,228 | 7,196 | 557,847 | 62,853 | 34,746 | 995,179 |
| Fringe | 1,985 | 6,316 | 1,659 | 59,188 | 16,281 | 7,990 | 189,448 |
| Travel | - | - | - | 2,629 | 5,869 | 887 | 12,208 |
| Printing and supplies | 3,132 | 522 | 1,378 | 1,362 | 17,480 | 3,408 | 52,033 |
| Rent | - | - | - | 750 | - | 750 | 1,500 |
| Telephone and utilities | - | 156 | 204 | 942 | 660 | - | 8,635 |
| Allocated costs | 6,423 | 15,060 | 7,264 | 37,615 | 59,988 | 24,043 | 364,562 |
| Insurance | - | - | - | - | 1,142 | 2,296 | 3,438 |
| Advertising | - | - | 1,240 | 429 | 3,978 | 412 | 7,317 |
| Professional fees and contracts | - | - | - | - | - | - | 31,830 |
| Participant support | - | - | - | 10 | 38,557 | 1,192 | 39,759 |
| Stipends | - | - | - | - | 221,372 | - | 221,372 |
| In-kind | - | - | - | 68,667 | 47,753 | 39,715 | 156,135 |
| Other | - | - | 1,173 | - | 637 | 136 | 3,738 |
| Subgrants | - | - | - | - | - | - | 8,227,484 |
| Capital outlay | - | - | - | - | - | - | 15,475 |
| Total expenditures | 20,000 | 44,282 | 20,114 | 729,439 | 476,570 | 115,575 | 10,330,113 |
| Revenues over expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 150,000 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
ADMINISTRATIVE GRANT UNDER APPALACHIAN REGIONAL DEVELOPMENT ACT
Year Ended June 30, 2021**

| | July 1, 2020 - December 31, 2020 | January 1, 2021 - June 30, 2021 | Total |
|-----------------------------------|-------------------------------------|------------------------------------|----------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| Federal grants | \$ 31,549 | \$ 42,147 | \$ 73,696 |
| Charges for services | 45,166 | 62,200 | 107,366 |
| Total revenues | 76,715 | 104,347 | 181,062 |
| Expenditures: | | | |
| Personnel | 38,609 | 50,068 | 88,677 |
| Fringe | 11,429 | 15,551 | 26,980 |
| Travel | - | 644 | 644 |
| Printing and supplies | 4,457 | 657 | 5,114 |
| Telephone and utilities | - | 66 | 66 |
| Allocated costs | 22,195 | 37,221 | 59,416 |
| Professional fees and contracts | - | 140 | 140 |
| Other | 25 | - | 25 |
| Total expenditures | 76,715 | 104,347 | 181,062 |
| Revenues over expenditures | \$ - | \$ - | \$ - |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
ECONOMIC DEVELOPMENT ADMINISTRATION – PLANNING
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|------------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| Federal grants | \$ 288,834 |
| State grants | 35,000 |
| Local contributions | 35,000 |
| | <hr/> |
| Total revenues | 358,834 |
| | <hr/> |
| Expenditures: | |
| Personnel | 65,680 |
| Fringe | 26,760 |
| Travel | 507 |
| Printing and supplies | 11,598 |
| Telephone and utilities | 972 |
| Allocated costs | 56,201 |
| Advertising | 1,227 |
| Professional fees and contracts | 30,000 |
| Other | 414 |
| Capital outlay | 15,475 |
| | <hr/> |
| Total expenditures | 208,834 |
| | <hr/> |
| Revenues over expenditures | \$ 150,000 |
| | <hr/> |
| Net change in fund balances | 150,000 |
| | <hr/> |
| Fund balances, beginning | - |
| | <hr/> |
| Fund balances, ending | \$ 150,000 |
| | <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
ECONOMIC DEVELOPMENT REVOLVING LOAN
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Use of money and property | \$ 3,091 |
| | <hr/> |
| Total revenues | 3,091 |
| | <hr/> |
| Expenditures: | |
| Personnel | 1,445 |
| Fringe | 312 |
| Printing and supplies | 68 |
| Allocated costs | 872 |
| Professional fees and contracts | 383 |
| Other | 11 |
| | <hr/> |
| Total expenditures | 3,091 |
| | <hr/> |
| Revenues over expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
MICRO LOAN**

Year Ended June 30, 2021

| | July 1, 2020 - June 30, 2021 |
|------------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Use of money and property | \$ 2,860 |
| | <hr/> |
| Total revenues | 2,860 |
| | <hr/> |
| Expenditures: | |
| Personnel | 810 |
| Fringe | 139 |
| Printing and supplies | 67 |
| Allocated costs | 517 |
| Professional fees and contracts | 1,307 |
| Other | 20 |
| | <hr/> |
| Total expenditures | 2,860 |
| | <hr/> |
| Revenues under expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
UPPER POTOMAC AREA AGENCY ON AGING – TITLE III
Year Ended June 30, 2021**

| | July 1, 2020 - September 30, 2020 | October 1, 2020 - June 30, 2021 | Total |
|-----------------------------------|--------------------------------------|------------------------------------|------------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| Federal grants | \$ 1,199,075 | \$ 1,734,215 | \$ 2,933,290 |
| State grants | - | 2,639,807 | 2,639,807 |
| Total revenues | 1,199,075 | 4,374,022 | 5,573,097 |
| Expenditures: | | | |
| Personnel | 34,843 | 80,176 | 115,019 |
| Fringe | 10,108 | 23,013 | 33,121 |
| Travel | (241) | 1,911 | 1,670 |
| Printing and supplies | 141 | 2,672 | 2,813 |
| Telephone and utilities | - | 3,041 | 3,041 |
| Allocated costs | 21,604 | 50,029 | 71,633 |
| Other | (84) | 1,008 | 924 |
| Subgrants | 1,132,704 | 4,212,172 | 5,344,876 |
| Total expenditures | 1,199,075 | 4,374,022 | 5,573,097 |
| Revenues over expenditures | \$ - | \$ - | \$ - |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
UPPER POTOMAC AREA AGENCY ON AGING –
LIFE**

Year Ended June 30, 2021

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| State grants | \$ 2,882,608 |
| Total revenues | <u>2,882,608</u> |
| Expenditures: | |
| Subgrants | <u>2,882,608</u> |
| Total expenditures | <u>2,882,608</u> |
| Revenues over expenditures | <u><u>\$ -</u></u> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
UPPER POTOMAC AREA AGENCY ON AGING –
AGING DISABLED RESOURCE CENTER – REGION 3
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|------------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| State grants | \$ 70,000 |
| | <hr/> |
| Total revenues | 70,000 |
| | <hr/> |
| Expenditures: | |
| Personnel | 28,795 |
| Fringe | 8,306 |
| Travel | 2 |
| Printing and supplies | 5,091 |
| Telephone and utilities | 2,594 |
| Allocated costs | 24,783 |
| Advertising | 31 |
| Other | 398 |
| | <hr/> |
| Total expenditures | 70,000 |
| | <hr/> |
| Revenues under expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
UPPER POTOMAC AREA AGENCY ON AGING –
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Miscellaneous | \$ 2,581 |
| | <hr/> |
| Total revenues | 2,581 |
| | <hr/> |
| Expenditures: | |
| Personnel | 1,423 |
| Fringe | 411 |
| Allocated costs | 747 |
| | <hr/> |
| Total expenditures | 2,581 |
| | <hr/> |
| Revenues over expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
UPPER POTOMAC AREA AGENCY ON AGING –
SENIOR MEDICARE PATROL
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| State grants | \$ 20,000 |
| | <hr/> |
| Total revenues | 20,000 |
| | <hr/> |
| Expenditures: | |
| Personnel | 8,460 |
| Fringe | 1,985 |
| Printing and supplies | 3,132 |
| Allocated costs | 6,423 |
| | <hr/> |
| Total expenditures | 20,000 |
| | <hr/> |
| Revenues over expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
SENIOR HEALTH INSURANCE PROGRAM –
REGION 3
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| State grants | \$ 44,282 |
| | <hr/> |
| Total revenues | 44,282 |
| | <hr/> |
| Expenditures: | |
| Personnel | 22,228 |
| Fringe | 6,316 |
| Printing and supplies | 522 |
| Telephone and utilities | 156 |
| Allocated costs | 15,060 |
| | <hr/> |
| Total expenditures | 44,282 |
| | <hr/> |
| Revenues over expenditures | \$ - |
| | <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
SENIOR HEALTH INSURANCE PROGRAM –
MIPPA**

Year Ended June 30, 2021

| | July 1, 2020 - September 30, 2020 | October 1, 2020- June 30, 2021 | Total |
|-----------------------------------|--------------------------------------|-----------------------------------|---------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| State grants | \$ 16,791 | \$ 3,323 | \$ 20,114 |
| Total revenues | 16,791 | 3,323 | 20,114 |
| Expenditures: | | | |
| Personnel | 5,432 | 1,764 | 7,196 |
| Fringe | 1,300 | 359 | 1,659 |
| Printing and supplies | 1,303 | 75 | 1,378 |
| Telephone and utilities | 204 | - | 204 |
| Allocated costs | 6,139 | 1,125 | 7,264 |
| Advertising | 1,240 | - | 1,240 |
| Other | 1,173 | - | 1,173 |
| Total expenditures | 16,791 | 3,323 | 20,114 |
| Revenues over expenditures | \$ - | \$ - | \$ - |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
TITLE V**

Year Ended June 30, 2021

July 1, 2020 -
June 30, 2021

| | |
|-----------------------------------|----------------|
| Revenues: | |
| Intergovernmental: | |
| Federal grants | \$ 660,772 |
| In-kind | 68,667 |
| | <hr/> |
| Total revenues | 729,439 |
| | <hr/> |
| Expenditures: | |
| Personnel | 557,847 |
| Fringe | 59,188 |
| Travel | 2,629 |
| Printing and supplies | 1,362 |
| Rent | 750 |
| Telephone and utilities | 942 |
| Allocated costs | 37,615 |
| Advertising | 429 |
| Participant support | 10 |
| In-kind | 68,667 |
| | <hr/> |
| Total expenditures | 729,439 |
| | <hr/> |
| Revenues over expenditures | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
FOSTER GRANDPARENT
Year Ended June 30, 2021**

| | July 1, 2020 - June 30, 2021 |
|-----------------------------------|---------------------------------|
| <hr/> | |
| Revenues: | |
| Intergovernmental: | |
| Federal grants | \$ 428,249 |
| In-kind | 47,753 |
| Miscellaneous | 568 |
| | <hr/> |
| Total revenues | 476,570 |
| | <hr/> |
| Expenditures: | |
| Personnel | 62,853 |
| Fringe | 16,281 |
| Travel | 5,869 |
| Printing and supplies | 17,480 |
| Telephone and utilities | 660 |
| Allocated costs | 59,988 |
| Insurance | 1,142 |
| Advertising | 3,978 |
| Participant support | 38,557 |
| Stipends | 221,372 |
| In-kind | 47,753 |
| Other | 637 |
| | <hr/> |
| Total expenditures | 476,570 |
| | <hr/> |
| Expenditures over revenues | \$ - |
| | <hr/> <hr/> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF REVENUES AND EXPENDITURES –
RETIRED SENIOR VOLUNTEER PROGRAM**

Year Ended June 30, 2021

| | July 1, 2020 - March 31, 2021 | April 1, 2021 - June 30, 2021 | Total |
|-----------------------------------|----------------------------------|----------------------------------|----------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| Federal grants | \$ 55,926 | \$ 19,934 | \$ 75,860 |
| In-kind | 33,170 | 6,545 | 39,715 |
| Total revenues | 89,096 | 26,479 | 115,575 |
| Expenditures: | | | |
| Personnel | 24,745 | 10,001 | 34,746 |
| Fringe | 5,475 | 2,515 | 7,990 |
| Travel | 700 | 187 | 887 |
| Printing and supplies | 3,186 | 222 | 3,408 |
| Rent | - | 750 | 750 |
| Allocated costs | 18,771 | 5,272 | 24,043 |
| Insurance | 1,309 | 987 | 2,296 |
| Advertising | 412 | - | 412 |
| Participant support | 1,192 | - | 1,192 |
| In-kind | 33,170 | 6,545 | 39,715 |
| Other | 136 | - | 136 |
| Total expenditures | 89,096 | 26,479 | 115,575 |
| Revenues over expenditures | \$ - | \$ - | \$ - |

COMPLIANCE SECTION

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

| Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Provided to Subrecipients | Total Federal Expenditures |
|---|--|--|------------------------------|----------------------------------|
| DEPARTMENT OF COMMERCE: | | | | |
| <u>Direct payments:</u> | | | | |
| Economic Development Support for Planning Organizations | 11.302 | ED19PH13020062 | \$ - | \$ 70,000 |
| EDA - Revolving Loan Fund | 11.307 | 990006REGI | - | 150,909 |
| COVID-19 EDA CARES | 11.307 | ED20PHI3070076 | - | 218,834 |
| Total Department of Commerce | | | - | 439,743 |
| DEPARTMENT OF LABOR: | | | | |
| <u>Pass-through payments:</u> | | | | |
| <u>National Council on Aging:</u> | | | | |
| Senior Community Service Employment | 17.235 | AD-35218-20-60-A-51-56 | - | 506,688 |
| Senior Community Service Employment | 17.235 | AD-35218-20-60-A-51-83 | - | 154,084 |
| Total Department of Labor | | | - | 660,772 |
| APPALACHIAN REGIONAL COMMISSION: | | | | |
| <u>Direct payments:</u> | | | | |
| Appalachian Local Development District Assistance | 23.009 | WV-4415-C44-20 | - | 31,549 |
| Appalachian Local Development District Assistance | 23.009 | WV-4415-C45-21 | - | 42,146 |
| Total Appalachian Regional Commission | | | - | 73,695 |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES: | | | | |
| <u>Pass-through payments:</u> | | | | |
| <u>West Virginia Bureau of Senior Services:</u> | | | | |
| Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services | 93.043 | 22037 | 1,888 | 1,888 |
| Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services | 93.043 | 22137 | 7,861 | 7,861 |
| | | | 9,749 | 9,749 |
| National Family Caregiver Support - Title III, Part E | 93.052 | 22037 | 7,415 | 7,415 |
| National Family Caregiver Support - Title III, Part E | 93.052 | 22137 | 125,314 | 125,314 |
| COVID-19 National Family Caregiver Support - Title III, Part E | 93.052 | 22037 | 31,067 | 31,067 |
| | | | 163,796 | 163,796 |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

| Federal Grantor/State Pass-Through Grantor/ Program or Cluster Title | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Provided to Subrecipients | Total Federal Expenditures |
|---|--|--|------------------------------|----------------------------------|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED): | | | | |
| <u>Pass-through payments (continued):</u> | | | | |
| <u>West Virginia Bureau of Senior Services (Continued):</u> | | | | |
| Aging Cluster: | | | | |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | 22037 | \$ 266,268 | \$ 283,268 |
| Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | 22137 | 350,877 | 375,877 |
| COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers | 93.044 | 22037 | 5,674 | 5,674 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services | 93.045 | 22037 | 481,104 | 530,475 |
| Special Programs for the Aging - Title III, Part C - Nutrition Services | 93.045 | 22137 | 753,367 | 914,589 |
| COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services | 93.045 | 22037 | 96,141 | 96,141 |
| Nutrition Services Incentive Program | 93.053 | 22307 | 243,148 | 243,148 |
| Nutrition Services Incentive Program | 93.053 | 22137 | 310,573 | 310,573 |
| Total Aging Cluster | | | <u>2,507,152</u> | <u>2,759,745</u> |
| Total Department of Health and Human Services | | | <u>2,680,697</u> | <u>2,933,290</u> |
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICE: | | | | |
| <u>Direct payments:</u> | | | | |
| Retired and Senior Volunteer Program | 94.002 | 19SRSWV004 | - | 75,860 |
| | | | <u>-</u> | <u>75,860</u> |
| Foster Grandparent/Senior Companion Cluster: | | | | |
| Foster Grandparent Program | 94.011 | 18SFSWV002 | - | 428,249 |
| Total Foster Grandparent/Senior Companion Cluster | | | <u>-</u> | <u>428,249</u> |
| Total Corporation for National and Community Service | | | <u>-</u> | <u>504,109</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 2,680,697</u> | <u>\$ 4,611,609</u> |

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2021

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Region 8 Planning and Development Council (Council) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position or changes in net position of the Council.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Nonmonetary deferral assistance including food commodities is considered federal assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs – The Single Audit Act Amendments of 1996 and Uniform Guidance establish the criteria to be used in defining major programs. Major programs for the Council were determined using a risk-based approach in accordance with Uniform Guidance.

Catalog of Federal Domestic Assistance – The Federal Assistance Listing is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (Federal Assistance Listing Number), which is reflected in the accompanying Schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following are the clusters administered by the Council: Aging and Foster Grandparent/Senior Companion.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2021

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Loans

The ending balance of the EDA Revolving Loan Fund outstanding as of June 30, 2021 is \$82,389.



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

To the Council Members
Region 8 Planning and Development Council

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 each major fund of the Region 8 Planning and Development Council (Council), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated September 2, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 Council's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
September 2, 2022



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Council Members
Region 8 Planning and Development Council

Report on Compliance for Each Major Federal Program

We have audited the Region 8 Planning and Development Council’s (Council) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council’s major federal programs for the year ended June 30, 2021. The Council’s major federal programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Council’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

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

Purpose of this Report

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

YBMares, LLP

Harrisonburg, Virginia
September 2, 2022

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021**

Section I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

| | | | | | |
|---|-------|-----|-------|-------------------------------------|---------------|
| Material weaknesses identified? | _____ | Yes | _____ | <input checked="" type="checkbox"/> | No |
| Significant deficiencies identified? | _____ | Yes | _____ | <input checked="" type="checkbox"/> | None Reported |
| Noncompliance material to financial statements noted? | _____ | Yes | _____ | <input checked="" type="checkbox"/> | No |

Federal Awards

Internal control over major programs:

| | | | | | |
|------------------------------------|-------|-----|-------|-------------------------------------|---------------|
| Material weakness identified? | _____ | Yes | _____ | <input checked="" type="checkbox"/> | No |
| Significant deficiency identified? | _____ | Yes | _____ | <input checked="" type="checkbox"/> | None Reported |

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?

| | | | | |
|-------|-----|-------|-------------------------------------|----|
| _____ | Yes | _____ | <input checked="" type="checkbox"/> | No |
|-------|-----|-------|-------------------------------------|----|

Identification of major programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|---|
| Aging Cluster: | |
| 93.044 | Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers |
| 93.044 | COVID 19 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers |
| 93.045 | Special Programs for the Aging – Title III, Part C – Nutrition Services |
| 93.045 | COVID 19 Special Programs for the Aging – Title III, Part C – Nutrition Services |
| 93.053 | Nutrition Services Incentive Program |

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

Auditee qualified as low-risk auditee? Yes No

Section II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

REGION 8 PLANNING AND DEVELOPMENT COUNCIL

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from prior audit's Summary Schedule of Prior Audit Findings.