

**REGION 8 PLANNING AND  
DEVELOPMENT COUNCIL**

**FINANCIAL AND COMPLIANCE REPORTS**

**YEAR ENDED JUNE 30, 2022**



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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 Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of Region 8 Planning and Development Council (Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedules listed in the table of contents as supplemental schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 supplemental schedules and schedule of expenditures of federal awards 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 March 29, 2023 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 Council's internal control over financial reporting and compliance.

*PBmares, LLP*

Harrisonburg, Virginia  
March 29, 2023

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

**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 FINANCIAL REPORT**

**Content of the Financial 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 2022 financial activity and the change in its financial condition during fiscal year 2022. 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, 2022. This provides the simplest display of the Council's financial condition at June 30, 2022. 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 2022. The net position as of June 30, 2022 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, 2022. 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 2022 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, 2022, 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 2022, the Council expended \$10,471,675. These same activities produced revenues of \$10,477,949 during fiscal year 2022. The Council had a net change in fund balances of \$11,229. As reported on the Statement of Activities, the Council had a change in net position of \$274,568 during fiscal year 2022. The Council had net position of \$1,250,997 at the end of fiscal year 2022. Table 1 provides additional details including a comparison to fiscal year 2021.

Table 1 – Fiscal Years 2022 and 2021 Expenses and Revenues

	2022	2021	<u>Percent Change</u> 2021 to 2022
Governmental Activities:			
Expenses	\$ 10,200,611	\$ 10,304,568	(1.01%)
Program revenues	10,421,789	10,618,607	(1.85%)
	<hr/>		
<b>Change in net position,         Governmental Activities</b>	<b>221,178</b>	314,039	(29.57%)
	<hr/>		
General Revenues	53,390	22,668	135.53%
	<hr/>		
<b>Change in net position</b>	<b>274,568</b>	336,707	(18.45%)
	<hr/>		
Net Position, beginning	976,429	639,722	52.63%
	<hr/>		
Net Position, ending	<b>\$ 1,250,997</b>	\$ 976,429	28.12%
	<hr/> <hr/>		

Similar to fiscal year 2021, during fiscal year 2022, 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 2022 with a net position of \$1,250,997. Capital assets comprised about 11.5% of the Council's net position in the amount of \$144,720. Restricted net position represents amounts restricted for the economic development revolving loan program and micro loan program in the amount of \$348,686. Unrestricted net position was \$770,857 at June 30, 2022, an increase of \$339,558 as compared to unrestricted net position at June 30, 2021.

## **THE COUNCIL'S FUNDS**

The Council expended \$168,787 through its General Fund during fiscal year 2022. This included expenditures of \$73,419 for staff (Personnel and Fringe), \$51,290 for grant match, and \$15,596 for allocated costs. Staff cost accounted for 43.5% of all expenditures and allocated costs accounted for 9.2%. In fiscal year 2021, staff cost accounted for 41.4% of all General Fund expenditures. The overall costs for staff expenditures in the General Fund increased slightly in fiscal year 2022. The amount listed as expended for grant match also slightly increased from fiscal year 2021. This represents a small increase in program matching requirements for fiscal year 2022. The General Fund had revenue of \$223,895 during fiscal year 2022. Approximately 52% 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 \$107,043 in fiscal year 2022 or 48% of all General Fund revenue.

The Council expended \$10,302,888 through its Special Revenue Fund during fiscal year 2022. This included \$1,143,593 for staff, \$374,878 for allocated costs, and \$113,916 for stipends to program participants. Staff costs accounted for 11% of all fund expenditures. The amount expended for staffing by the fund decreased slightly from fiscal year 2021. The stabilization represents generally no change in staffing from fiscal year 2021. Allocated costs and stipends accounted for 3.7% and 1.1% of the costs, respectively, and expenditures for these items remained relatively stable. Grants from the federal government accounted for 46.8% of all revenue during fiscal year 2022. Charges for services provided \$114,131 or about 1.1% of revenue during fiscal year 2022.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

During fiscal year 2022, the Council experienced a small decrease in capital assets. The Council began fiscal year 2022 with \$159,253 in net capital assets. Mainly due to accumulated depreciation, the Council ended fiscal year 2022 with \$144,720 in net capital assets, including buildings and vehicles.

### **Pension Plan Asset**

Based on assumptions provided by plan administrators for deferred outflows and inflows and changes in the net pension asset, the Council's net pension asset for the end of fiscal year 2022 was \$377,583.

### **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/asset 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 asset for the Council at the end of fiscal year 2022 was \$3,026.

## **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, 2022**

	Primary Government <u>Governmental</u> Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 714,209
Restricted cash	23,282
Accounts receivable	315,213
Due from other governments	1,123,566
Notes receivable	100,746
Prepaid items	124,995
Net pension asset	377,583
Other postemployment benefits asset	3,026
Capital assets:	
Right-to-use leased equipment	16,451
Buildings and improvements	519,393
Vehicles and equipment	86,054
Less: accumulated depreciation and amortization	(477,178)
<b>Total assets</b>	<u>2,927,340</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension plan	189,382
Other postemployment benefits	12,732
<b>Total deferred outflows of resources</b>	<u>202,114</u>
<b>LIABILITIES</b>	
Accounts payable	1,008,756
Accrued payroll and benefits	74,084
Other accrued liabilities	9,640
Unearned revenue	38,862
Noncurrent liabilities:	
Due within one year:	
Leases payable	3,728
Compensated absences	22,731
Due in more than one year:	
Note payable	32,250
Leases payable	9,538
Compensated absences	11,133
<b>Total liabilities</b>	<u>1,210,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension plan	499,681
Other postemployment benefits	168,054
<b>Total deferred inflows of resources</b>	<u>667,735</u>
<b>NET POSITION</b>	
Net investment in capital assets	131,454
Restricted	348,686
Unrestricted	770,857
<b>Total net position</b>	<u>\$ 1,250,997</u>

See Notes to Financial Statements.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022**

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	\$ (102,656)	\$ 116,852	\$ 70,181	\$ -	\$ 289,689
Economic development	519,925	114,131	353,139	-	(52,655)
General welfare	9,782,963	-	9,767,486	-	(15,477)
Interest	379	-	-	-	(379)
<b>Total governmental activities</b>	<b>10,200,611</b>	<b>230,983</b>	<b>10,190,806</b>	<b>-</b>	<b>221,178</b>
<b>Total primary government</b>	<b>\$ 10,200,611</b>	<b>\$ 230,983</b>	<b>\$ 10,190,806</b>	<b>\$ -</b>	<b>221,178</b>
General revenues:					
					10,147
					43,243
					<b>53,390</b>
					<b>274,568</b>
					<b>976,429</b>
					<b>\$ 1,250,997</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

	General	Special Revenue	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 714,209	\$ -	\$ 714,209
Restricted cash	23,282	-	23,282
Accounts receivable	315,213	-	315,213
Due from other governments	-	1,123,566	1,123,566
Notes receivable	-	100,746	100,746
Prepaid items	4,995	120,000	124,995
Due from other funds	-	20,141	20,141
<b>Total assets</b>	<b>\$ 1,057,699</b>	<b>\$ 1,364,453</b>	<b>\$ 2,422,152</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 28,615	\$ 980,141	\$ 1,008,756
Accrued payroll and benefits	96,815	-	96,815
Other accrued liabilities	9,640	-	9,640
Unearned revenue	3,089	35,773	38,862
Due to other funds	20,141	-	20,141
<b>Total liabilities</b>	<b>158,300</b>	<b>1,015,914</b>	<b>1,174,214</b>
<b>FUND BALANCES</b>			
Nonspendable	4,995	120,000	124,995
Assigned	321,747	-	321,747
Restricted:			
Economic development revolving loan	-	315,097	315,097
Micro loan	-	33,589	33,589
Unassigned	572,657	(120,147)	452,510
<b>Total fund balances</b>	<b>899,399</b>	<b>348,539</b>	<b>1,247,938</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,057,699</b>	<b>\$ 1,364,453</b>	<b>\$ 2,422,152</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

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

**June 30, 2022**

	Governmental Funds	
Total fund balances - governmental funds	\$	1,247,938
<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	\$	621,898
Less: accumulated depreciation and amortization		<u>(477,178)</u>
<b>Net capital assets</b>		144,720
<p>Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.</p>		
Net pension asset		377,583
Other postemployment benefits asset		<u>3,026</u>
		380,609
<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		189,382
Other postemployment benefits		12,732
<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)
Leases payable		(13,266)
Compensated absences		<u>(11,133)</u>
		(56,649)
<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		(499,681)
Other postemployment benefits		<u>(168,054)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u><u>1,250,997</u></u></b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2022**

	General	Special Revenue	Total Governmental Funds
<b>Revenues:</b>			
Intergovernmental:			
Federal grants	\$ -	\$ 4,795,284	\$ 4,795,284
State grants	-	5,129,604	5,129,604
Local contributions	72,951	47,709	120,660
Charges for services	116,852	114,131	230,983
Use of money and property	6,326	3,821	10,147
In-kind	-	148,028	148,028
Miscellaneous	27,766	15,477	43,243
<b>Total revenues</b>	<b>223,895</b>	<b>10,254,054</b>	<b>10,477,949</b>
<b>Expenditures:</b>			
Personnel	55,641	955,047	1,010,688
Fringe	17,778	188,546	206,324
Travel	643	27,948	28,591
Printing and supplies	7,938	43,926	51,864
Rent	-	5,000	5,000
Telephone and utilities	553	9,471	10,024
Allocated costs	15,596	374,878	390,474
Insurance	79	925	1,004
Advertising	-	1,182	1,182
Maintenance	3,680	401	4,081
Professional fees and contracts	-	31,830	31,830
Participant support	-	10,192	10,192
Stipends	-	113,916	113,916
In-kind	-	148,028	148,028
Other	4,314	48,626	52,940
Grant cash match	51,290	-	51,290
Subgrants	-	8,334,050	8,334,050
Capital outlay	7,711	8,922	16,633
<b>Debt Service:</b>			
Principal	3,185	-	3,185
Interest and fiscal charges	379	-	379
<b>Total expenditures</b>	<b>168,787</b>	<b>10,302,888</b>	<b>10,471,675</b>
<b>Revenues over (under) expenditures</b>	<b>55,108</b>	<b>(48,834)</b>	<b>6,274</b>
<b>Other financing sources:</b>			
Issuance of leases	4,955	-	4,955
<b>Total other financing sources</b>	<b>4,955</b>	<b>-</b>	<b>4,955</b>
<b>Net change in fund balances</b>	<b>60,063</b>	<b>(48,834)</b>	<b>11,229</b>
Fund balances, beginning	839,336	397,373	1,236,709
Fund balances, ending	\$ 899,399	\$ 348,539	\$ 1,247,938

## 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, 2022

	Governmental Funds	
Net change in fund balances - total governmental funds	\$	11,229
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>		
Expenditures for capital assets	\$	4,955
Less: depreciation and amortization expense		(19,488)
Depreciation and amortization expense		(14,533)
<p>The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment long-term liabilities in the Statement of Net Position.</p>		
Issuance of leases		(4,955)
Principal repayments:		
Leases payable		3,185
State of West Virginia other postemployment benefits support		(2,770)
<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	161,741	
Compensated absences	5,853	
Changes in OPEB liability and related deferred outflows and inflows of resources	114,818	
		282,412
<b>Change in net position of governmental activities</b>	\$	274,568

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### 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

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#### 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 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

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### 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, 2022. 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 intangible assets, 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 (except for intangible right-to-use lease assets, the measurement of which is discussed in note D.8) 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, 2022.

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
Right-to-use leased equipment	4-6 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 10 through 11 for details regarding these items.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### 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 10 through 11 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. Leases

*Lessee:* The Council is a lessee for noncancellable leases of equipment. The Council recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The Council recognizes lease liabilities with an initial, individual value of \$5,000 or more.

As the commencement of the lease, the Council initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### 8. Leases (Continued)

Key estimates and judgements related to leases include how the Council determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Council uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Council generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Council is reasonably certain to exercise.

The Council monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

##### 9. 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.

##### 10. 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

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### 11. 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.

##### 12. 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

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#### Note 1. Summary of Significant Accounting Policies (Continued)

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

##### 13. 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.

##### 14. 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.

##### 15. 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 March 29, 2023, the date on which the financial statements were available to be issued.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2022, the Council's bank balance was \$782,651 and \$149,125 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, 2022, the various components of unearned revenue reported in the governmental fund are as follows:

	<u>Unearned</u>
General Fund:	
Advance collection of 2022-2023 contributions	\$ 3,089
Special Revenue Fund:	
Transitional Housing	2,180
Tittle III C	23,282
ARC Admin	5,789
Other	<u>4,522</u>
<b>Total Special Revenue Fund</b>	<u>35,773</u>
	<u>\$ 38,862</u>

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 4. Due From Other Governments

Amounts due from other governments include the following:

Special Revenue Fund:

Direct Life	\$	450,291
Title III C Federal Revenue		231,313
ARPA Federal Revenue		159,577
Title III B Federal Revenue		61,992
SCSEP WV		48,922
ADRC		44,581
EDA Cares		34,545
FGP		28,581
SCSEP VA		21,954
SMP		20,000
Title III E Federal Revenue		11,801
SHIP MIPPA		3,735
ARPA Title III D Federal Income		1,715
Title III B State Income		1,395
Title III E State Income		896
SNAP		849
Title III State Special Allocation		811
Title III D Federal Income		253
Other		355
		<hr/>
	\$	1,123,566
		<hr/> <hr/>

#### 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.	\$	69,426
Three 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.		<hr/>
		31,320
	\$	100,746
		<hr/> <hr/>

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

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning*		Ending
	Balance	Increases	Balance
Governmental activities:			
Capital assets being depreciated or amortized:			
Buildings and improvements	\$ 519,393	\$ -	\$ 519,393
Right-to-use leased equipment	11,496	4,955	16,451
Equipment	6,000	-	6,000
Vehicles	80,054	-	80,054
<b>Total capital assets being depreciated or amortized</b>	<b>616,943</b>	<b>4,955</b>	<b>621,898</b>
Less accumulated depreciation and amortization for:			
Buildings and improvements	376,136	14,942	391,078
Right-to-use leased equipment	-	3,346	3,346
Equipment	1,500	1,200	2,700
Vehicles	80,054	-	80,054
<b>Total accumulated depreciation and amortization</b>	<b>457,690</b>	<b>19,488</b>	<b>477,178</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>159,253</b>	<b>(14,533)</b>	<b>144,720</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 159,253</b>	<b>\$ (14,533)</b>	<b>\$ 144,720</b>

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

\*Beginning balance was restated due to the implementation of GASB 87, *Leases*.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 7. Compensated Absences

Compensated absences activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 49,823	\$ 43,022	\$ 58,981	\$ 33,864	\$ 22,731

Of the total compensated absences balance at year-end, \$22,731 is considered short-term and recorded within the governmental funds as a result of being charged and reimbursed by certain grant programs. An additional \$11,133 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. Leases

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Leases	\$ 11,496	\$ 4,955	\$ 3,185	\$ 13,266	\$ 3,728

During the current fiscal year, the Council had two lease agreements for equipment ranging from four to six years. In accordance with the implementation of GASB Statement 87, an initial lease liability was recorded in the amount of \$11,496 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$13,266. The Council is required to make monthly principal and interest payments ranging from \$85 to \$254. The leases have an interest rate of 3%. The equipment has an estimated useful life ranging from four to six years. The value of the right-to-use leased assets as of the end of the current fiscal year was \$16,451 and had accumulated amortization of \$3,346. One of these leases above began in the current fiscal year, resulting in \$4,955 in issuance of leases.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 9. Leases (Continued)

The future principal and interest lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Principal	Interest
2023	\$ 3,728	\$ 347
2024	3,841	234
2025	3,958	117
2026	983	39
2027	756	9
	<u>\$ 13,266</u>	<u>\$ 746</u>

#### Note 10. 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](http://www.wvretirement.com).

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 with the pension reduced actuarially if the member is between the ages of 60 and 62 with 30 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, or age 63 with at least 20 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, 2022 and 2021. Contributions to the pension plan were \$73,541 and \$74,062 for the years ended June 30, 2022 and 2021, respectively.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 10. Pension Plan (Continued)

##### C. Net Pension Liability (Asset)

The Council's net pension liability (asset) was measured at June 30, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of July 1, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

At June 30, 2022, the Council reported an asset for the plan of (\$377,583) for its proportionate share of the net pension liability (asset). The Council's proportionate share of the net pension liability (asset) 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, 2021 and June 30, 2020, the Council's proportion was 0.043%.

##### D. Actuarial Assumptions

The total pension liability in the July 1, 2021 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	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through fiscal year 2035
Investment rate of return	7.50%
Projected salary increases	3.60% - 6.75%
Inflation rate	2.75%
Discount rate	7.25%
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 10. Pension Plan (Continued)

##### E. Long-Term Expected Rate of Return

The long-term geometric 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
Domestic Equity	27.50%	5.30%
International Equity	27.50%	6.10%
Fixed Income	15.00%	2.20%
Real Estate	10.00%	6.50%
Private Equity	10.00%	9.50%
Hedge Funds	10.00%	3.80%
Total	100.00%	

##### F. Discount Rate

The discount rate used to measure the total pension liability was 7.25%. 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 (Asset) to Changes in the Discount Rate

The following table presents the Council's net pension liability (asset) calculated using the current discount rate of 7.25% as well as the Council's net pension liability (asset) if it was calculated using a discount rate that is one percentage point lower or one percentage point higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 4,315	\$ (377,583)	\$ (699,923)

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

#### Note 10. Pension Plan (Continued)

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

For the year ended June 30, 2022, the Council recognized pension expense of \$161,741. 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	\$ 908	\$ (11,568)
Differences between expected and actual experience	43,092	(1,431)
Changes difference in assumptions	71,841	(3,060)
Net difference between projected and actual earnings on pension plan investments	-	(483,622)
Employer contributions subsequent to the measurement date	73,541	-
<b>Total</b>	<b>\$ 189,382</b>	<b>\$ (499,681)</b>

The \$73,541 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, 2023. 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
2023	\$ (76,768)
2024	(76,768)
2025	(76,768)
2026	(76,768)
2027	(76,768)
	<b>\$ (383,840)</b>

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. 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](http://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, 2022 and 2021 were a range of \$48 to \$116 and \$160, respectively.

Contributions to the OPEB Plan from the Council were \$11,174 and \$18,560 for the years ended June 30, 2022 and 2021, respectively.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. 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 (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2022, the Council reported a liability for its proportionate share of the RHBT net OPEB liability (asset) that reflected State OPEB support provided to the Council. The amount recognized by the Council as its proportionate share of the net OPEB liability (asset), the related State support, and the total portion of the net OPEB liability (asset) that was associated with the Council was as follows:

The Council's proportionate share of the net OPEB liability (asset)	\$ (3,026)
State's special funding proportionate share of the net OPEB liability (asset) associated with the Council	<u>(596)</u>
<b>Total portion of the net OPEB liability (asset) associated with the Council</b>	<b><u><u>\$ (3,622)</u></u></b>

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2021. The Council's proportion of the net OPEB liability (asset) 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, 2021, the Council's proportion was 0.01018% as compared to 0.01182% at June 30, 2020.

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

#### Note 11. Other Postemployment Benefits (Continued)

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

For the year ended June 30, 2022, the Council recognized OPEB expense of \$106,414 and for support provided by the State under special funding situations revenue of \$2,770. At June 30, 2022, 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	\$ 1,558	\$ (60,786)
Differences between expected and actual experience	-	(20,847)
Changes in assumptions	-	(64,039)
Reallocation of Opt-Out Employer Change in Proportionate Share	-	(1,496)
Net difference between projected and actual earnings on OPEB plan investments	-	(20,886)
Employer contributions subsequent to the measurement date	11,174	-
<b>Total</b>	<u>\$ 12,732</u>	<u>\$ (168,054)</u>

The amount of \$11,174 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2023	\$ (33,299)
2024	(33,299)
2025	(33,299)
2026	(33,299)
2027	(33,300)
	<u>\$ (166,496)</u>

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits (Continued)

##### D. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, and measured as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	Dependent upon pension system ranging from 2.75% to 5.18%, including inflation
Investment rate of return	6.65%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Trend rate for pre-Medicare per capita costs of 7.0% for plan year end 2023, decreasing by 0.5% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 8.83% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032.
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 Pub-2010 healthy annuity mortality table projected with Scale MP-2021 on a fully generational basis for PERS and TRS. Pub-2010 healthy annuitant mortality table projected with Scale MP-2021 on a fully generational basis for Troopers A and B. Pre-retirement: Pub-2010 non-annuitant mortality table projected with Scale MP-2021 on a fully generational basis for PERS and TRS. Pub-2010 employee mortality table projected with Scale MP-2021 on a fully generational basis for Troopers A and B.

The actuarial assumptions used in the June 30, 2021 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 11. 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	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	27.5%	5.5%
International Equity	27.5%	7.0%
Fixed Income	15.0%	2.2%
Real Estate	10.0%	6.6%
Private Equity	10.0%	8.5%
Hedge Funds	10.0%	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 (Asset) to Changes in the Discount Rate

The following presents the Council's proportionate share of the net OPEB liability (asset) calculated using the current discount rate, as well as what the Council's proportionate share of the net OPEB liability (asset) 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 (Asset)	\$ 16,238	\$ (3,026)	\$ (19,020)

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### Note 11. Other Postemployment Benefits (Continued)

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

The following presents the Council's proportionate share of the net OPEB liability (asset), as well as what the Council's proportionate share of the net OPEB liability (asset) 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 (Asset)	\$ (22,342)	\$ (3,026)	\$ 20,504

#### Note 12. 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, 2022.

#### Note 13. Economic Dependence

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

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO FINANCIAL STATEMENTS

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#### **Note 14. Pending GASB Statements**

At June 30, 2022, 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. 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 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. 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 15. Subsequent Events**

In February 2023, the Board approved obtaining a \$250,000 line of credit. This line of credit has not been obtained as of the report issuance date.

**REQUIRED SUPPLEMENTARY INFORMATION**

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

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

	Fiscal Year June 30,							
	2014	2015	2016	2017	2018	2019	2020	2021
Council's proportion of the net pension liability (asset)	0.078%	0.066%	0.065%	0.062%	0.057%	0.047%	0.043%	0.043%
Council's proportionate share of the net pension liability (asset)	\$ 286,249	\$ 369,111	\$ 600,255	\$ 265,744	\$ 147,205	\$ 101,512	\$ 225,235	\$ (377,583)
Council's covered payroll	\$ 1,040,124	\$ 896,421	\$ 899,933	\$ 845,225	\$ 784,520	\$ 689,872	\$ 662,033	\$ 684,888
The Council's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.52%	41.18%	66.70%	31.44%	18.76%	14.71%	34.02%	-55.13%
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%	111.07%

**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	2022	
Contractually required contribution (CRC)	\$ 150,818	\$ 125,499	\$ 121,491	\$ 101,427	\$ 72,164	\$ 76,493	\$ 55,302	\$ 74,062	\$ 73,541	
Contributions in relation to the CRC	150,818	125,499	121,491	101,427	72,164	76,493	55,302	74,062	73,541	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Employer's covered payroll	\$ 1,040,124	\$ 896,421	\$ 899,933	\$ 845,225	\$ 784,520	\$ 689,872	\$ 662,033	\$ 684,888	\$ 735,411	
Contributions as a percentage of covered payroll	14.50%	14.00%	13.50%	12.00%	9.20%	11.09%	8.35%	10.81%	10.00%	

**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 (ASSET) – WEST VIRGINIA PUBLIC EMPLOYEES' RETIREMENT INSURANCE PLAN

	Fiscal Year June 30,				
	2017	2018	2019	2020	2021
Council's proportion of the net OPEB liability (asset)	0.01630%	0.01602%	0.01403%	0.01182%	0.01018%
Council's proportionate share of the net OPEB liability (asset)	\$ 400,804	\$ 343,785	\$ 232,843	\$ 52,211	\$ (3,026)
State's proportionate share of the net OPEB liability (asset) associated with the Council	82,326	71,051	47,650	11,545	(596)
<b>Total proportionate share of the net OPEB liability (asset) associated with the Council</b>	<b>\$ 483,130</b>	<b>\$ 414,836</b>	<b>\$ 280,493</b>	<b>\$ 63,756</b>	<b>\$ (3,622)</b>
Council's covered payroll	\$ 843,345	\$ 779,041	\$ 688,890	\$ 659,950	\$ 686,979
Council's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	47.53%	44.13%	33.80%	7.91%	-0.44%
Plan fiduciary net position as a percentage of the total OPEB liability	25.10%	30.98%	39.69%	73.49%	96.36%

**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	2022
Statorily required contribution (SRC)	\$ 33,479	\$ 32,745	\$ 28,914	\$ 22,848	\$ 18,560	\$ 11,174
Contributions in relation to the SRC	33,479	32,745	28,914	22,848	18,560	11,174
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Council's covered payroll	\$ 843,345	\$ 779,041	\$ 688,890	\$ 659,950	\$ 686,979	\$ 740,438
Contributions as a percentage of covered payroll	3.97%	4.20%	4.20%	3.46%	2.70%	1.51%

#### 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, 2022**

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#### Note 1. Actuarial Changes – Pension Plan

Actuarial valuation assumptions were changed as of June 30, 2021 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
<b>2021</b>	2.75% - 5.55%	3.60% - 6.75%	2.75%	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 disables females - 117% of Pub-2010 Genreal/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018	2.28% - 45.63%	2.50% - 35.88%	0.005% - 0.540%
<b>2020</b>	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 disables females - 117% of Pub-2010 Genreal/Teachers Disabled Female table, headcount weighted, projected generationally with scale MP-2018	2.28% - 45.63%	2.50% - 35.88%	0.005% - 0.540%
<b>2019</b>	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 disables 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%
<b>2018</b>	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 Mable 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 proected 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%

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2022**

**Note 1. Actuarial Changes – Pension Plan (Continued)**

Year	Projected Salary Increases			Mortality Rates	Withdrawal Rates		
	State	Nonstate	Inflation Rate		State	Nonstate	Disability Rates
<b>2017</b>	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%
<b>2016</b>	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%
<b>2015</b>	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%
<b>2014</b>	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%

**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, 2022**

	General Fund			Variance with Final Budget Over (Under)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>Revenues:</b>				
Intergovernmental:				
Local contributions	\$ 72,958	\$ 72,958	\$ 72,951	\$ (7)
Charges for services	345,000	345,000	116,852	(228,148)
Use of money and property	-	-	6,326	6,326
Miscellaneous	9,078	9,078	27,766	18,688
<b>Total revenues</b>	<b>427,036</b>	<b>427,036</b>	<b>223,895</b>	<b>(203,141)</b>
<b>Expenditures:</b>				
Personnel	156,000	156,000	55,641	(100,359)
Fringe	71,500	71,500	17,778	(53,722)
Travel	7,200	7,200	643	(6,557)
Printing and supplies	1,450	1,450	7,938	6,488
Telephone and utilities	7,050	7,050	553	(6,497)
Allocated costs	100,550	100,550	15,596	(84,954)
Insurance	-	-	79	79
Maintenance	-	-	3,680	3,680
Other	1,250	1,250	4,314	3,064
Grant cash match	-	-	51,290	51,290
Capital outlay	-	-	7,711	7,711
<b>Debt Service:</b>				
Principal	-	-	3,185	3,185
Interest and fiscal charges	-	-	379	379
<b>Total expenditures</b>	<b>345,000</b>	<b>345,000</b>	<b>168,787</b>	<b>(176,213)</b>
<b>Revenues over expenditures</b>	<b>82,036</b>	<b>82,036</b>	<b>55,108</b>	<b>(26,928)</b>
<b>Other financing sources:</b>				
Issuance of lease	-	-	4,955	4,955
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>4,955</b>	<b>4,955</b>
<b>Net change in fund balance</b>	<b>\$ 82,036</b>	<b>\$ 82,036</b>	<b>60,063</b>	<b>\$ (21,973)</b>
Fund balance, beginning			839,336	
Fund balance, ending			<u>\$ 899,399</u>	

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES –  
SPECIAL REVENUE FUND  
Year Ended June 30, 2022**

	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
<b>Revenues:</b>								
Intergovernmental:								
Federal grants	\$ 60,438	\$ 216,059	\$ -	\$ -	\$ 3,507,184	\$ -	\$ -	\$ -
State grants	2,961	26,250	-	-	2,158,260	2,872,133	70,000	-
Local contributions	-	47,431	-	-	-	-	278	-
Charges for services	114,131	-	-	-	-	-	-	-
Use of money and property	-	-	1,757	2,064	-	-	-	-
In-kind	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	5,000	-	-	6,630
<b>Total revenues</b>	<b>177,530</b>	<b>289,740</b>	<b>1,757</b>	<b>2,064</b>	<b>5,670,444</b>	<b>2,872,133</b>	<b>70,278</b>	<b>6,630</b>
<b>Expenditures:</b>								
Personnel	86,553	107,554	717	296	107,700	-	30,840	3,585
Fringe	24,759	39,423	208	86	31,181	-	8,624	1,041
Travel	939	1,521	-	-	6,627	-	-	-
Printing and supplies	1,570	16,759	68	68	15,590	-	476	-
Rent	-	-	-	-	-	-	-	-
Telephone and utilities	-	2,107	-	-	1,994	-	3,409	-
Allocated costs	62,099	88,866	407	186	73,092	-	26,336	2,004
Insurance	-	-	-	-	-	-	-	-
Advertising	-	281	-	-	-	-	88	-
Maintenance	-	130	-	-	-	-	-	-
Professional fees and contracts	-	30,045	357	1,428	-	-	-	-
Participant support	-	-	-	-	-	-	-	-
Stipends	-	-	-	-	-	-	-	-
In-kind	-	-	-	-	-	-	-	-
Other	1,757	24,132	-	18,687	1,968	-	505	-
Subgrants	-	-	-	-	5,432,292	2,872,133	-	-
Capital outlay	-	8,922	-	-	-	-	-	-
<b>Total expenditures</b>	<b>177,677</b>	<b>319,740</b>	<b>1,757</b>	<b>20,751</b>	<b>5,670,444</b>	<b>2,872,133</b>	<b>70,278</b>	<b>6,630</b>
<b>Revenues under expenditures</b>	<b>\$ (147)</b>	<b>\$ (30,000)</b>	<b>\$ -</b>	<b>\$ (18,687)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES –  
SPECIAL REVENUE FUND  
Year Ended June 30, 2022**

	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	Vaccine Expansion Grant	Total
<b>Revenues:</b>								
Intergovernmental:								
Federal grants	\$ 20,000	\$ 45,500	\$ 33,413	\$ 584,148	\$ 255,605	\$ 43,312	\$ 29,625	\$ 4,795,284
State grants	-	-	-	-	-	-	-	5,129,604
Local contributions	-	-	-	-	-	-	-	47,709
Charges for services	-	-	-	-	-	-	-	114,131
Use of money and property	-	-	-	-	-	-	-	3,821
In-kind	-	-	-	93,937	30,464	23,627	-	148,028
Miscellaneous	-	-	-	3,600	247	-	-	15,477
<b>Total revenues</b>	<b>20,000</b>	<b>45,500</b>	<b>33,413</b>	<b>681,685</b>	<b>286,316</b>	<b>66,939</b>	<b>29,625</b>	<b>10,254,054</b>
<b>Expenditures:</b>								
Personnel	10,140	21,622	16,308	494,519	55,847	19,366	-	955,047
Fringe	2,803	5,604	4,375	51,633	14,354	4,455	-	188,546
Travel	-	17	17	2,430	15,910	487	-	27,948
Printing and supplies	-	1,374	1,633	1,170	3,984	1,234	-	43,926
Rent	-	-	-	2,750	-	2,250	-	5,000
Telephone and utilities	-	323	23	841	774	-	-	9,471
Allocated costs	7,057	15,832	10,601	32,757	40,383	15,258	-	374,878
Insurance	-	-	-	-	925	-	-	925
Advertising	-	-	-	350	463	-	-	1,182
Maintenance	-	271	-	-	-	-	-	401
Professional fees and contracts	-	-	-	-	-	-	-	31,830
Participant support	-	-	-	1,298	8,632	262	-	10,192
Stipends	-	-	-	-	113,916	-	-	113,916
In-kind	-	-	-	93,937	30,464	23,627	-	148,028
Other	-	457	456	-	664	-	-	48,626
Subgrants	-	-	-	-	-	-	29,625	8,334,050
Capital outlay	-	-	-	-	-	-	-	8,922
<b>Total expenditures</b>	<b>20,000</b>	<b>45,500</b>	<b>33,413</b>	<b>681,685</b>	<b>286,316</b>	<b>66,939</b>	<b>29,625</b>	<b>10,302,888</b>
<b>Revenues under expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(48,834)</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
ADMINISTRATIVE GRANT UNDER APPALACHIAN REGIONAL DEVELOPMENT ACT  
Year Ended June 30, 2022**

	July 1, 2021 - December 31, 2021	January 1, 2022 - June 30, 2022	Total
<b>Revenues:</b>			
Intergovernmental:			
Federal grants	\$ 20,182	\$ 40,256	\$ 60,438
State grants	-	2,961	2,961
Charges for services	50,993	63,138	114,131
<b>Total revenues</b>	<b>71,175</b>	<b>106,355</b>	<b>177,530</b>
<b>Expenditures:</b>			
Personnel	36,336	50,217	86,553
Fringe	10,345	14,414	24,759
Travel	314	625	939
Printing and supplies	971	599	1,570
Allocated costs	23,209	38,890	62,099
Other	-	1,757	1,757
<b>Total expenditures</b>	<b>71,175</b>	<b>106,502</b>	<b>177,677</b>
<b>Revenues under expenditures</b>	<b>\$ -</b>	<b>\$ (147)</b>	<b>\$ (147)</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
ECONOMIC DEVELOPMENT ADMINISTRATION – PLANNING  
Year Ended June 30, 2022**

	July 1, 2021 - June 30, 2022
<hr/>	
Revenues:	
Intergovernmental:	
Federal grants	\$ 216,059
State grants	26,250
Local contributions	47,431
	<hr/>
<b>Total revenues</b>	<b>289,740</b>
	<hr/>
Expenditures:	
Personnel	107,554
Fringe	39,423
Travel	1,521
Printing and supplies	16,759
Telephone and utilities	2,107
Allocated costs	88,866
Advertising	281
Maintenance	130
Professional fees and contracts	30,045
Other	24,132
Capital outlay	8,922
	<hr/>
<b>Total expenditures</b>	<b>319,740</b>
	<hr/>
<b>Revenues under expenditures</b>	<b>(30,000)</b>
	<hr/>
<b>Net change in fund balances</b>	<b>(30,000)</b>
	<hr/>
Fund balance, beginning	150,000
	<hr/>
Fund balance, ending	<u><u>\$ 120,000</u></u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
ECONOMIC DEVELOPMENT REVOLVING LOAN  
Year Ended June 30, 2022**

	July 1, 2021 - June 30, 2022
<hr/>	
Revenues:	
Use of money and property	\$ 1,757
	<hr/>
<b>Total revenues</b>	<b>1,757</b>
	<hr/>
Expenditures:	
Personnel	717
Fringe	208
Printing and supplies	68
Allocated costs	407
Professional fees and contracts	357
	<hr/>
<b>Total expenditures</b>	<b>1,757</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<hr/> <hr/>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

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

**Year Ended June 30, 2022**

July 1, 2021 -  
June 30, 2022

Revenues:	
Use of money and property	\$ 2,064
<b>Total revenues</b>	<u>2,064</u>
Expenditures:	
Personnel	296
Fringe	86
Printing and supplies	68
Allocated costs	186
Professional fees and contracts	1,428
Other	18,687
<b>Total expenditures</b>	<u>20,751</u>
<b>Revenues under expenditures</b>	<u>\$ (18,687)</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
UPPER POTOMAC AREA AGENCY ON AGING – TITLE III  
Year Ended June 30, 2022**

	July 1, 2021 - September 30, 2021	October 1, 2021 - June 30, 2022	Total
<b>Revenues:</b>			
Intergovernmental:			
Federal grants	\$ 1,130,587	\$ 2,376,597	\$ 3,507,184
State grants	4,058	2,154,202	2,158,260
Miscellaneous	-	5,000	5,000
<b>Total revenues</b>	<b>1,134,645</b>	<b>4,535,799</b>	<b>5,670,444</b>
<b>Expenditures:</b>			
Personnel	34,650	73,050	107,700
Fringe	9,675	21,506	31,181
Travel	574	6,053	6,627
Printing and supplies	15,218	372	15,590
Telephone and utilities	1,856	138	1,994
Allocated costs	26,833	46,259	73,092
Other	736	1,232	1,968
Subgrants	1,045,103	4,387,189	5,432,292
<b>Total expenditures</b>	<b>1,134,645</b>	<b>4,535,799</b>	<b>5,670,444</b>
<b>Revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
UPPER POTOMAC AREA AGENCY ON AGING – LIFE  
Year Ended June 30, 2022**

	July 1, 2021 - June 30, 2022
<hr/>	
Revenues:	
Intergovernmental:	
State grants	\$ 2,872,133
	<hr/>
<b>Total revenues</b>	<b>2,872,133</b>
	<hr/>
Expenditures:	
Subgrants	2,872,133
	<hr/>
<b>Total expenditures</b>	<b>2,872,133</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<hr/> <hr/>

**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, 2022**

	July 1, 2021 - June 30, 2022
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Revenues:	
Intergovernmental:	
State grants	\$ 70,000
Local contributions	278
	<hr/>
<b>Total revenues</b>	<b>70,278</b>
	<hr/>
Expenditures:	
Personnel	30,840
Fringe	8,624
Printing and supplies	476
Telephone and utilities	3,409
Allocated costs	26,336
Advertising	88
Other	505
	<hr/>
<b>Total expenditures</b>	<b>70,278</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<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, 2022**

	July 1, 2021 - June 30, 2022
<hr/>	
Revenues:	
Miscellaneous	\$ 6,630
	<hr/>
<b>Total revenues</b>	<b>6,630</b>
	<hr/>
Expenditures:	
Personnel	3,585
Fringe	1,041
Allocated costs	2,004
	<hr/>
<b>Total expenditures</b>	<b>6,630</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<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, 2022**

	July 1, 2021 - June 30, 2022
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Revenues:	
Intergovernmental:	
Federal grants	\$ 20,000
	<hr/>
<b>Total revenues</b>	<b>20,000</b>
	<hr/>
Expenditures:	
Personnel	10,140
Fringe	2,803
Allocated costs	7,057
	<hr/>
<b>Total expenditures</b>	<b>20,000</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<hr/> <hr/>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
SENIOR HEALTH INSURANCE PROGRAM – REGION 3  
Year Ended June 30, 2022**

July 1, 2021 -  
June 30, 2022

Revenues:	
Intergovernmental:	
Federal grants	\$ 45,500
<b>Total revenues</b>	<b>45,500</b>
Expenditures:	
Personnel	21,622
Fringe	5,604
Travel	17
Printing and supplies	1,374
Telephone and utilities	323
Allocated costs	15,832
Maintenance	271
Other	457
<b>Total expenditures</b>	<b>45,500</b>
<b>Revenues over expenditures</b>	<b>\$ -</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
SENIOR HEALTH INSURANCE PROGRAM – MIPPA  
Year Ended June 30, 2022**

	July 1, 2021 - September 30, 2021	October 1, 2021- June 30, 2022	Total
<b>Revenues:</b>			
Intergovernmental:			
Federal grants	\$ 29,678	\$ 3,735	\$ 33,413
<b>Total revenues</b>	<b>29,678</b>	<b>3,735</b>	<b>33,413</b>
<b>Expenditures:</b>			
Personnel	14,352	1,956	16,308
Fringe	3,981	394	4,375
Travel	-	17	17
Printing and supplies	1,633	-	1,633
Telephone and utilities	-	23	23
Allocated costs	9,409	1,192	10,601
Other	303	153	456
<b>Total expenditures</b>	<b>29,678</b>	<b>3,735</b>	<b>33,413</b>
<b>Revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES – TITLE V  
Year Ended June 30, 2022**

	July 1, 2021 - June 30, 2022
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Revenues:	
Intergovernmental:	
Federal grants	\$ 584,148
In-kind	93,937
Miscellaneous	3,600
	<hr/>
<b>Total revenues</b>	<b>681,685</b>
	<hr/>
Expenditures:	
Personnel	494,519
Fringe	51,633
Travel	2,430
Printing and supplies	1,170
Rent	2,750
Telephone and utilities	841
Allocated costs	32,757
Advertising	350
Participant support	1,298
In-kind	93,937
	<hr/>
<b>Total expenditures</b>	<b>681,685</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<hr/> <hr/>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
FOSTER GRANDPARENT  
Year Ended June 30, 2022**

July 1, 2021 -  
June 30, 2022

Revenues:	
Intergovernmental:	
Federal grants	\$ 255,605
In-kind	30,464
Miscellaneous	247
<b>Total revenues</b>	<b>286,316</b>
Expenditures:	
Personnel	55,847
Fringe	14,354
Travel	15,910
Printing and supplies	3,984
Telephone and utilities	774
Allocated costs	40,383
Insurance	925
Advertising	463
Participant support	8,632
Stipends	113,916
In-kind	30,464
Other	664
<b>Total expenditures</b>	<b>286,316</b>
<b>Revenues over expenditures</b>	<b>\$ -</b>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
RETIRED SENIOR VOLUNTEER PROGRAM  
Year Ended June 30, 2022**

	July 1, 2021 - March 31, 2022
<hr/>	
Revenues:	
Intergovernmental:	
Federal grants	\$ 43,312
In-kind	<u>23,627</u>
<b>Total revenues</b>	<u>66,939</u>
Expenditures:	
Personnel	19,366
Fringe	4,455
Travel	487
Printing and supplies	1,234
Rent	2,250
Allocated costs	15,258
Participant support	262
In-kind	<u>23,627</u>
<b>Total expenditures</b>	<u>66,939</u>
<b>Revenues over expenditures</b>	<u><u>\$ -</u></u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF REVENUES AND EXPENDITURES –  
VACCINE EXPANSION GRANT  
Year Ended June 30, 2022**

	July 1, 2021 - June 30, 2022
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Revenues:	
Intergovernmental:	
Federal grants	\$ 29,625
	<hr/>
<b>Total revenues</b>	<b>29,625</b>
	<hr/>
Expenditures:	
Subgrants	29,625
	<hr/>
<b>Total expenditures</b>	<b>29,625</b>
	<hr/>
<b>Revenues over expenditures</b>	<b>\$ -</b>
	<hr/> <hr/>

## **COMPLIANCE SECTION**

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022**

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
<b>DEPARTMENT OF COMMERCE:</b>				
<u>Direct payments:</u>				
Economic Development Support for Planning Organizations	11.302	ED19PH13020062	\$ -	\$ 52,500
Economic Development Support for Planning Organizations	11.302	ED22PHI3020035	-	20,365
COVID-19 EDA CARES	11.307	ED20PHI3070076	-	143,194
<b>Total Department of Commerce</b>			-	<b>216,059</b>
<b>DEPARTMENT OF LABOR:</b>				
<u>Pass-through payments:</u>				
<u>National Council on Aging:</u>				
Senior Community Service Employment	17.235	AD-35218-20-60-A-51-56	-	432,419
Senior Community Service Employment	17.235	AD-35218-20-60-A-51-83	-	151,729
<b>Total Department of Labor</b>			-	<b>584,148</b>
<b>APPALACHIAN REGIONAL COMMISSION:</b>				
<u>Direct payments:</u>				
Appalachian Local Development District Assistance	23.009	WV-4415-C45-21	-	20,183
Appalachian Local Development District Assistance	23.009	WV-4415-C46-22	-	40,255
<b>Total Appalachian Regional Commission</b>			-	<b>60,438</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>				
<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	22137	2,626	2,626
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	22137	6,412	6,412
COVID-19 Special Programs for the Aging - Title III, Part D - Disease Prevention and Health	93.043	22137	5,470	5,470
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	22237	7,137	7,137
			<u>21,645</u>	<u>21,645</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022**

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>				
National Family Caregiver Support - Title III, Part E	93.052	22037	\$ 95,932	\$ 95,932
National Family Caregiver Support - Title III, Part E	93.052	22137	27,149	44,149
National Family Caregiver Support - Title III, Part E	93.052	22137	26,369	26,369
COVID-19 National Family Caregiver Support - Title III, Part E	93.052	22137	18,465	18,465
National Family Caregiver Support - Title III, Part E	93.052	22237	106,149	106,149
			<u>274,064</u>	<u>291,064</u>
Aging Cluster:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	22137	102,032	112,032
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	22137	28,809	28,809
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	22237	328,289	363,289
COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	CV20213	29,625	29,625
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	22137	552,655	615,197
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	22137	255,181	255,181
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	22237	654,940	679,157
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	22237	830,237	830,237
Nutrition Services Incentive Program	93.053	22237	310,573	310,573
Total Aging Cluster			<u>3,092,341</u>	<u>3,224,100</u>

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022**

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>				
Special Programs for the Aging, Title IV, and Title II Discretionary Projects	93.048	SMP22243	\$ -	\$ 20,000
Medicare Enrollment Assistance Program	93.071	MIPPA2157	-	29,677
Medicare Enrollment Assistance Program Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.071	MIPPA2257	-	3,736
	93.779	SHIP2243	-	45,500
<b>Total Department of Health and Human Services</b>			<u>3,388,050</u>	<u>3,635,722</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:				
<u>Direct payments:</u>				
Retired and Senior Volunteer Program	94.002	19SRSWV004	-	43,312
			<u>-</u>	<u>43,312</u>
Foster Grandparent/Senior Companion Cluster:				
Foster Grandparent Program	94.011	18SFSWV002	-	255,605
Total Foster Grandparent/Senior Companion Cluster			<u>-</u>	<u>255,605</u>
<b>Total Corporation for National and Community Service</b>			<u>-</u>	<u>298,917</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,388,050</u>	<u>\$ 4,795,284</u>

## REGION 8 PLANNING AND DEVELOPMENT COUNCIL

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2022

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#### **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, 2022. 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.

*Federal Assistance Listing* – 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, 2022**

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#### **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.



**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, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated March 29, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

## **Report on 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.

Handwritten signature in black ink that reads "P. B. Mares, CPA".

Harrisonburg, Virginia  
March 29, 2023



**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**

***Opinion on Each Major Federal Program***

We have audited the Region 8 Planning and Development Council’s (Council) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

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

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

Handwritten signature in black ink that reads "P. B. Mares, LLP".

Harrisonburg, Virginia  
March 29, 2023

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022**

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**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 federal 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 federal programs: Unmodified

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

\_\_\_\_\_ Yes    \_\_\_\_\_  No

Identification of major federal programs:

Federal Assistance

Listing Number	Name of Federal Program or Cluster
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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. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**REGION 8 PLANNING AND DEVELOPMENT COUNCIL**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2022**

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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.