EAST CENTRAL DISPATCH CENTER

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
Statement of Net Position	8
Statement of Revenues, Expenses, and Change in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Changes in Net Pension Liability and Related Ratios	26
Schedule of Pension Contributions	27
Schedule of Changes in Total OPEB Liability and Related Ratios	28

Contents

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
EAST CENTRAL DISPATCH CENTER

Opinion

We have audited the accompanying financial statements of the **EAST CENTRAL DISPATCH CENTER** (the Organization), as of and for the year ended June, 30, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022, and the changes in financial position and cash flows 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). Our responsibilities under these 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 Organization 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 these 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 Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 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, 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 Organization'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 Organization'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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information listed in the table of contents 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 supplemental 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.

Sikich LLP

St. Louis, Missouri
February 23, 2023

As management of the **EAST CENTRAL DISPATCH CENTER** (the Organization), we offer readers of the Organization's financial statements this narrative overview and analysis of the financial activities of the Organization for the year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

* The assets and deferred outflows of resources of the Organization exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $840,480 (net position).

* Operating revenues for the current fiscal year were $2,445,055, a slight increase of 1.3% from the prior fiscal year. Overall, the Organization's total net position increased by $155,908 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented in this report consist of the statement of net position; statement of revenues, expenses, and change in net position; and statement of cash flows. The statement of net position provides information about the nature and amounts of investments in resources (assets), the obligations to creditors (liabilities), and deferred inflows/outflows of resources. It also provides the basis for assessing the liquidity and financial flexibility of the Organization. This year's revenues and expenses are accounted for in the statement of revenues, expenses, and change in net position. This statement reports the revenues and expenses during the time periods indicated, and can be used to determine whether the Organization has successfully recovered all of its costs through user fees and other charges. The primary purpose of the statement of cash flows is to provide information about the Organization's cash receipts and cash payments. This statement reports cash receipts, cash payments, and net changes in cash resulting from activities related to operations, noncapital financing, and capital and related financing.

STATEMENT OF NET POSITION

The Organization's net position increased in 2022 by $155,908. As of June 30, 2022, the Organization had a net position of $840,480.

A summary of financial position follows:

	June 30		2022 Change	
	2022	2021	Amount	Percent
ASSETS				
Current assets	$ 1,151,523	980,780	170,743	17.4 %
Capital assets	425,043	489,626	(64,583)	(13.2)
Total Assets	1,576,566	1,470,406	106,160	7.2
DEFERRED OUTFLOWS OF RESOURCES				
Employee OPEB and pension related	262,206	306,383	(44,177)	(14.4)
LIABILITIES				
Other liabilities	113,338	126,741	(13,403)	(10.6)
Long-term liabilities	653,066	588,647	64,419	10.9
Total Liabilities	766,404	715,388	51,016	7.1
DEFERRED INFLOWS OF RESOURCES				
Employee OPEB and pension related	231,888	376,829	(144,941)	(38.5)
NET POSITION				
Net investment in capital assets	425,043	489,626	(64,583)	(13.2)
Unrestricted	415,437	194,946	220,491	113.1
Total Net Position	$ 840,480	684,572	155,908	22.8 %

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Operating revenues for the year ended June 30, 2022 were $2,445,055 and consisted primarily of assessments on participating municipalities. Operating expenses consisted of personnel of $1,967,480, administrative of $257,084, and depreciation of $64,583.

A condensed version of the statement of revenues, expenses, and change in net position is as follows:

	For The Years Ended June 30		2022 Change	
	2022	2021	Amount	Percent
OPERATING REVENUES	$2,445,055	2,389,597	55,458	2.3 %
OPERATING EXPENSES	2,289,147	2,288,442	705	0.0
CHANGE IN NET POSITION	155,908	101,155	54,753	54.1
NET POSITION, JULY 1	684,572	583,417	101,155	(17.3)
NET POSITION, JUNE 30	$ 840,480	684,572	155,908	22.8 %

STATEMENT OF CASH FLOWS

The Organization's rate structure is designed to collect sufficient revenues to recover operating and maintenance expenses. The net cash used in operating activities was used primarily for payment of operating expenses.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation, totaled $425,043 and $489,626 as of June 30, 2022 and 2021, respectively. More information on capital asset activity during the fiscal year is provided in Note C of the financial statements.

LONG-TERM DEBT

The Organization's debt is detailed below. More information is provided in Notes D, E, and F.

	June 30	
	2022	2021
Compensated absences	$ 109,393	109,237
Net pension liability	455,050	386,193
Net OPEB obligation	88,622	93,217
Total Long-term Debt	$ 653,065	588,647

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Organization's overall financial position in 2022 showed a net position increase of $155,908.

REQUEST FOR INFORMATION

This report is intended to provide interested parties with a general overview of the financial position of the Organization and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to the Executive Director at 7447 Dale Avenue, St. Louis, MO 63117.

	June 30 2022
ASSETS	
Current Assets	
Cash and cash equivalents	$ 1,133,795
Accounts receivables	16,000
Accounts receivables - employees	1,728
Total Current Assets	1,151,523
Capital Assets	
Work in progress	240,000
Other capital assets, net of accumulated depreciation	185,043
Total Capital Assets	425,043
Total Assets	1,576,566
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	204,622
Deferred amounts related to OPEB	57,584
Total Deferred Outflows Of Resources	262,206
LIABILITIES	
Accounts payable	34,159
Payroll liabilities	79,179
Noncurrent liabilities:	
Due within one year	82,045
Due in more than one year - compensated absences	27,349
Net pension liability	455,050
Total OPEB liability	88,622
Total Liabilities	766,404
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	212,386
Deferred amounts related to OPEB	19,502
Total Deferred Inflows Of Resources	231,888
NET POSITION	
Net investment in capital assets	425,043
Unrestricted	415,437
Total Net Position	$ 840,480

	For The Year Ended June 30 2022
OPERATING REVENUES	
Assessments	$ 2,412,778
Other income	32,277
Total Operating Revenues	2,445,055
OPERATING EXPENSES	
Personnel	1,967,480
Administrative	257,084
Depreciation	64,583
Total Operating Expenses	2,289,147
CHANGE IN NET POSITION	155,908
NET POSITION, JULY 1	684,572
NET POSITION, JUNE 30	$ 840,480

See notes to financial statements

	For The Year Ended June 30 2022
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from municipalities	$ 2,396,778
Receipts from other income	32,277
Payments to suppliers	(262,537)
Payments to and for employees	(2,013,503)
NET INCREASE IN CASH AND CASH EQUIVALENTS	153,015
CASH AND CASH EQUIVALENTS, JULY 1	980,780
CASH AND CASH EQUIVALENTS, JUNE 30	$ 1,133,795
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Cash flows from operating activities:	
Operating income	$ 155,908
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	64,583
Decrease (increase) in:	
Accounts receivable	(16,000)
Employee Receivable	(1,728)
Deferred outflows of resources	44,177
Increase (decrease) in:	
Accounts payable	(2,249)
Payroll liabilities	(7,951)
Accrued compensated absences	157
Other Accruals	(3,204)
Net pension liability	68,858
OPEB liability	(4,595)
Deferred inflows of resources	(144,941)
Total Adjustments	(2,893)
Net Cash Provided By Operating Activities	$ 153,015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

EAST CENTRAL DISPATCH CENTER (the Organization) is a cooperative agreement agency voluntarily established in 2002 by its members for the purpose of providing the hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a joint police, fire, and other emergency communications center system for the mutual benefit of its members within St. Louis County, Missouri. The Organization is a jointly governed governmental entity authorized and created by a participation agreement by member cities. Each member of the Organization is entitled to one seat on the Board of Directors.

1. Reporting Entity

The financial statements of the Organization include the financial activities of the Organization and any component units, entities which are financially accountable to the Organization. The Organization does not currently have any component units.

2. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Organization is accounted for as a governmental proprietary fund. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position.

The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Revenue and expenses are categorized as either operating or nonoperating. Operating revenues and expenses include charges that are assessed to the beneficiaries of the service and the cost of providing the service. Nonoperating and other activities primarily include grants, interest income, interest expense, amortization, and contributions, if any.

When both restricted and unrestricted resources are available, the Organization will spend the most restricted amounts before the least restricted.

3. Cash, Cash Equivalents, and Investments

For purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the Organization to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, certificates of deposit, and repurchase agreements. Investments, if any, are stated at fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Capital Assets

Capital assets are stated at cost and are defined as assets with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Donated capital assets are reported at acquisition value in the period donated. All capital assets, except work in progress, if any, are depreciated. Depreciation is computed on the straight-line method, using asset lives as follows:

Asset	Years
Furniture and equipment	3 - 10

Depreciation charged to operations for the year ending June 30, 2022, amounted to $64,583.

5. Compensated Absences

Employees earn vacation during the year based upon their years of continuous service, and may carry over one and one half of their current year's vacation accrual. Compensatory time may accumulate to 120 hours. Employees may accumulate up to 500 hours of sick time. Accrued vacation and compensatory time is payable to employees upon termination. Unused sick leave will not be compensated upon separation from the Organization.

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. 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 Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time.

9. Net Position

In the financial statements, net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets. Restricted net positions are legally restricted by outside parties for a specific purpose, if any.

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Organization's deposits may not be returned or the Organization will not be able to recover collateral securities in the possession of an outside party. The Organization's bank deposits are required by state law to be collateralized by the deposit of certain securities in an amount at least equal to the uninsured deposits with the financial institution. The value of the securities must amount to the total of the Organization's cash not insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2022, the Organization's bank balance totaled $1,145,292. The bank balance covered by FDIC was $250,000, the amount collateralized by irrevocable letters of credit held by the Federal Home Loan Bank of Des Moines was $895,292.

2. Investments

As of June 30, 2022, the Organization had no investments.

NOTE C - CAPITAL ASSETS

A summary of capital assets activity is as follows:

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended June 30, 2022			
	Balance June 30 2021	Increases	Decreases	Balance June 30 2022
Work in progress	$ 240,000	-	-	240,000
Capital assets being depreciated:				
Furniture and equipment	524,449	-	-	524,449
Less - Accumulated depreciation	(274,823)	(64,583)	-	(339,406)
Total Capital Assets, Net	$ 489,626	(64,583)	-	425,043

NOTE D - LONG-TERM LIABILITIES

A summary of long-term liabilities activity is as follows:

	For The Year Ended June 30, 2022				Amount
	Balance June 30 2021	Additions	Reductions	Balance June 30 2022	Due Within One Year
Compensated absences	$ 109,237	115,872	115,716	109,393	82,045
Net pension liability	386,193	68,857	-	455,050	-
Total OPEB liability	93,217	-	4,595	88,622	-
Total	$ 588,647	184,729	120,311	653,065	82,045

NOTE E - PENSION PLAN

Plan Description

The Organization's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The Organization participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS' Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by accessing the LAGERS' website at www.molagers.org.

NOTE E - PENSION PLAN (Continued)

Benefits Provided

LAGERS provides retirement, death, and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.

	2022 Valuation
Benefit multiplier	2% for life
Final average salary	3 years
Member contributions	4%

Benefit terms provide for annual post-retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	8
Active employees	24
Total	37

Contributions

The Organization is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the Organization contribute 4% of their gross pay to the pension plan. The Organization's contribution rate is 12.5% of annual covered payroll.

Net Pension Liability

The Organization's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022. The pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing procedures incorporating the actuarial assumptions.

NOTE E - PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75%; including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality table for males and females.

The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality table for males and females of Police, Fire, and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above-described tables.

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of 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 percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-term Expected Real Rate Of Return
Alpha	15.00%	3.67%
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash/leverage	(25.00)	(0.29)

NOTE E - PENSION PLAN (Continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2021	$ 2,534,736	2,148,543	386,193
Changes for the year			
Service cost	151,959	-	151,959
Interest	181,991	-	181,991
Difference between expected and actual experience	(46,485)	-	(46,485)
Contributions - employer	-	172,147	(172,147)
Contributions - employee	-	55,087	(55,087)
Net investment income	-	1,371	(1,371)
Benefit payments, including refunds	(19,455)	(19,455)	-
Administrative expense	-	(3,758)	3,758
Other	-	(6,239)	6,239
Net Changes	268,010	199,153	68,857
Balances at June 30, 2022	$ 2,802,746	2,347,696	455,050

The funded status of the Plan at June 30, 2022 was 83.76%.

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

The following presents the net pension liability of the Organization, calculated using the discount rate of 7.00%, as well as what the Organization's net pension liability would be using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

NOTE E - PENSION PLAN (Continued)

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability	$ 951,633	455,050	38,107

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Organization recognized pension expense of $126,059. Reported deferred outflows and inflows of resources are related to the following sources:

	Outflows	Inflows	Net Outflows
Difference between expected and actual experience	$ 170,979	(150,884)	20,095
Assumption changes	33,643	(30,528)	3,115
Net difference between projected and actual earnings on pension plan investments	-	(30,974)	(30,974)
Total	$ 204,622	(212,386)	(7,764)

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

For The Plan Years Ending June 30	
2023	$ (1,200)
2024	(3,585)
2025	(20,619)
2026	43,414
2027	(4,707)
Thereafter	(21,067)
Total	$ (7,764)

Payable to the Pension Plan

At June 30, 2022, the Organization reported a payable of $24,892 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE F - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Organization's OPEB plan (the Plan) provides OPEB for all full-time employees of the Organization. The Plan is a single-employer defined benefit OPEB plan administered by the Organization. The Plan, as established by Organization resolution, assigned the authority to establish and amend the benefit terms and financing requirements to the Organization. No assets are accumulated in a trust for the Plan. The Plan does not issue a stand-alone report.

Benefits Provided

The Plan provides healthcare benefits to employees and their spouses who are eligible to retire once they have attained age 51 plus 12 years of service, or age 55 with 5 years of service. Coverage ceases upon eligibility for Medicare. Employees and spouses must be on the plan at time of retirement to be eligible to participate in the plan after retirement. Medical and prescription drug benefits are available to retirees in the Organization's insurance plan. Employees who meet retiree healthcare eligibility conditions may also purchase dental benefits until age 65 or eligible for Medicare, whichever is first. Retirees must contribute 100% of the retiree healthcare premiums for single/family coverage.

Employees Covered by Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	-
Active employees	26
Total	26

Total OPEB Liability

The Organization's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2021. The OPEB liability was then rolled forward to the measurement date of June 30, 2022, utilizing procedures incorporating the actuarial assumptions.

NOTE F - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	2.75 to 6.95% including inflation
Discount rate	3.69%
Healthcare cost trend rates Pre-65	Based on the Getzen Model, with trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 4.0%
Healthcare cost trend rates Post-65	Based on the Getzen Model, with trend starting at 6.25% and gradually decreasing to an ultimate rate of 4.0%

The discount rate was based on the index of 20 year general obligation bonds with an average AA credit rating as of the measurement date. The municipal bond rate is 3.69%. The discount rate was 1.92% as of the prior measurement date.

Mortality rates for general employees were based on the Pub-2010 mortality table for males and females. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality scale. Mortality rates for police and fire employees were based on the Pub-2010 Public Safety Health Annuitant Mortality Table made fully generational with the MP-2021 Mortality Improvement Scale.

The Plan has not had a formal actuarial experience study performed.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	$ 93,217
Changes for the year	
Service cost	10,151
Interest	1,884
Difference between expected and actual experience of the total OPEB liability	(21,505)
Changes in assumptions or other inputs	5,210
Benefit payments, including refunds	(335)
Net Change in OPEB Liability	(4,595)
Balance at June 30, 2022	$ 88,622

Changes of assumptions and other inputs reflect a change in the valuation interest rate from 1.92% in 2021 to 3.69% in 2022.

NOTE F - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Organization, calculated using the discount rate of 3.69%, as well as what the Organization's total OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.69%) or 1% point higher (4.69%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 93,181	88,622	83,524

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Organization, calculated using the healthcare cost trend rates of 7.50% for Pre-65 and 6.25% for post-65 decreasing to 4.0%, as well as what the Organization's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (6.50% and 5.25% decreasing to 3.0%) or 1% point higher (8.50% and 7.25% decreasing to 5.0%) than the current healthcare cost trend rates:

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	$ 85,567	88,622	89,613

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

For the year ended June 30, 2022, the Organization recognized OPEB expense of $17,372. Deferred outflows and deferred inflows of resources related to OPEB are from the following sources.

	Outflows	Inflows	Net
Differences between expected and actual experience	$ 2,101	19,502	(17,401)
Assumption changes	55,483	-	55,483
Total	$ 57,584	19,502	38,082

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

For The Years Ending June 30	
2023	$ 5,337
2024	5,337
2025	5,337
2026	5,337
2027	5,337
Thereafter	11,397
Total	$ 38,082

NOTE G - OPERATIONS/RELATED PARTIES

The Organization has been working in cooperation with the City of Richmond Heights for leasing office space for certain administrative services. The City of Richmond Heights performs cash receipt and disbursement, payroll, and other financial duties on behalf of the Organization. The amount paid to the City of Richmond Heights for the services amounted to $30,498. The Organization is overseen by a Board of Directors, comprised of the City Manager from the City of Richmond Heights and each of the other participating municipalities.

NOTE H - RISK MANAGEMENT

The Organization is exposed to various risks of loss related to natural disasters, errors and omissions, loss of assets, torts, etc. The Organization has chosen to cover such losses through the purchase of commercial insurance. Health insurance is provided by a third-party insurance company. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

NOTE I - FUTURE ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Organization. The statements which might impact the Organization are as follows:

- GASB Statement No. 91, *Conduit Debt Obligations.* The objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this Statement are effective for the year ending June 30, 2023.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for the year ending June 30, 2023.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the year ending June 30, 2023.

NOTE I - FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

- GASB Statement No. 99, *Omnibus 2022,* addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to: a) the determination of the public-private and public-public partnership (PPP) term and b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to non- monetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending June 30, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending June 30, 2024.

NOTE I - FUTURE ACCOUNTING PRONOUNCEMENTS (Continued)

- GASB Statement No. 100, *Accounting Changes and Error Corrections--an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that: a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ending June 30, 2024.

- GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for: 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: a) the leave is attributable to services already rendered, b) the leave accumulates, and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences--including parental leave, military leave, and jury duty leave--not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as it is identified as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ending June 30, 2025.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	$ 151,959	154,360	153,348	145,658	145,542	143,393	143,219	120,342
Interest on the total pension liability	181,991	179,284	152,989	128,281	112,126	96,271	67,161	50,883
Difference between expected and actual experience	(46,485)	(141,692)	83,952	94,463	(4,962)	(3,717)	114,439	51,969
Changes of assumptions	-	(40,864)	-	-	-	-	89,748	-
Benefit payments, including refunds	(19,455)	(26,345)	(29,787)	(32,918)	(27,057)	(9,860)	(16,324)	(3,688)
Net Change In Total Pension Liability	268,010	124,743	360,502	335,484	225,649	226,087	398,243	219,506
Total Pension Liability Beginning	2,534,736	2,409,993	2,049,491	1,714,007	1,488,358	1,262,271	864,028	644,522
Total Pension Liability Ending (a)	$ 2,802,746	2,534,736	2,409,993	2,049,491	1,714,007	1,488,358	1,262,271	864,028
Plan Fiduciary Net Position								
Contributions - employer	$ 172,147	162,362	156,874	149,655	148,854	128,161	137,237	143,014
Contributions - employee	55,087	55,038	54,565	52,054	53,641	50,757	51,787	51,536
Net investment income	1,371	437,375	17,864	74,204	124,709	77,108	(1,799)	5,178
Benefit payments, including refunds	(19,455)	(26,345)	(29,787)	(32,918)	(27,057)	(9,860)	(16,324)	(3,688)
Administrative expense	(3,758)	(3,394)	(4,305)	(3,867)	(2,476)	(2,361)	(2,189)	(2,424)
Other changes	(6,239)	(1,995)	(7,858)	(15,235)	(3,095)	3,565	(4,381)	22,068
Net Change In Plan Fiduciary Net Position	199,153	623,041	187,353	223,893	294,576	247,370	164,331	215,684
Plan Fiduciary Net Position Beginning	2,148,543	1,525,502	1,338,149	1,114,256	819,680	572,310	407,979	192,295
Plan Fiduciary Net Position Ending (b)	$ 2,347,696	2,148,543	1,525,502	1,338,149	1,114,256	819,680	572,310	407,979
Net Pension Liability Ending (a)-(b)	$ 455,050	386,193	884,491	711,342	599,751	668,678	689,961	456,049
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.76 %	84.76	63.30	65.29	65.01	55.07	45.34	47.22
Covered Payroll (for February 28/29 Valuation)	$ 1,446,167	1,319,815	1,407,985	1,363,954	1,268,434	1,287,091	1,246,790	1,211,651
Net Pension Liability as a Percentage of Covered Payroll	31.47 %	29.26	62.82	52.15	47.28	51.95	55.34	37.64

Notes:

Information is not available for fiscal years prior to 2015.

Additional years' information will be displayed as it becomes available, up to 10 years.

Changes of assumptions:

During the year ended June 30, 2022, assumption changes include salary increases from 1.75 - 6.75, to 2.75 - 6.75%.

During the year ended June 30, 2021, the discount rate decreased from 7.25% to 7.00%.

During the year ended June 30, 2016, new assumptions were adopted based on the 5-year experience study including change of wage inflation and price inflation to 3.25% and 2.5% from 3.5% and 3.0%, respectively; and change in salary increases to 3.25% to 6.55% from 3.5% to 6.8%, respectively.

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined pension contribution	$ 172,147	162,362	156,874	149,655	152,877	128,161	137,237	143,014	110,228
Contributions in relation to the actuarially determined contribution	172,147	162,362	156,874	149,655	148,854	128,161	137,237	143,014	110,228
Contribution Deficiency	$ -	-	-	-	4,023	-	-	-	-
Covered Payroll	$ 1,377,177	1,375,950	1,364,121	1,301,345	1,341,030	1,268,925	1,294,688	1,288,411	993,044
Contributions as a Percentage of Covered Payroll	12.50 %	11.80	11.50	11.50	11.10	10.10	10.60	11.10	11.10

Notes to schedule:

Valuation date:
Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 9 to 22 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75%; including wage inflation
Investment rate of return	7.00%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

Other information:
Information prior to 2014 is not available.
There were no other benefit changes during the year.
Additional years' information will be displayed as it becomes available, up to 10 years.
Changes of assumptions:
During the year ended June 30, 2022, assumption changes include salary increases from 1.75 - 6.75, to 2.75 - 6.75%.
During the year ended June 30, 2021, the discount rate decreased from 7.25% to 7.00%.
During the year ended June 30, 2016, new assumptions were adopted based on the 5-year experience study including change of wage inflation and price inflation to 3.25% and 2.5% from 3.5% and 3.0%, respectively; and change in salary increases to 3.25% to 6.55% from 3.5% to 6.8%, respectively.

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 10,151	8,329	928	939	912
Interest	1,884	2,103	602	1,052	1,321
Difference between expected and actual experience of the total OPEB liability	(21,505)	-	2,923	-	-
Changes of assumptions	5,210	2,825	66,905	540	19
Benefit payments, including refunds	(335)	(3,452)	(13,438)	(11,287)	(9,309)
Net Change In Total OPEB Liability	(4,595)	9,805	57,920	(8,756)	(7,057)
Total OPEB Liability Beginning	93,217	83,412	25,492	34,248	41,305
Total OPEB Liability Ending (a)	$ 88,622	93,217	83,412	25,492	34,248
Covered Payroll (for June 30 Valuation)	$ 1,258,380	1,365,264	1,325,499	1,174,218	1,399,700
Total OPEB Liability as a Percentage of Covered Payroll	7.04 %	6.83	6.29	2.17	2.45

Notes:

Information is not available for fiscal years prior to 2018.

There are no assets accumulated in a trust to pay related benefits for this Plan.

Changes of benefit terms. Amounts presented reflect an increase in the retirees' share of health insurance premiums of 0% in 2019.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2022	3.69 %
2021	1.92
2020	2.45
2019	3.13
2018	3.62
2017	3.56