OHIO AUDITOR OF STATE
KEITH FABER

COMMUNITY PARTNERSHIP ON AGING
CUYAHOGA COUNTY
DECEMBER 31, 2022, AND 2021

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COMMUNITY PARTNERSHIP ON AGING
CUYAHOGA COUNTY
DECEMBER 31, 2022, AND 2021

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INDEPENDENT AUDITOR'S REPORT

Community Partnership on Aging
Cuyahoga County
1370 Victory Drive
South Euclid, Ohio 44121

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, Ohio (the Partnership), as of and for the years ended December 31, 2022, and 2021, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, Ohio as of December 31, 2022 and 2021, and the respective changes in financial position thereof for the years then ended in accordance with the 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 Partnership, 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 Partnership'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 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 Partnership'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 Partnership's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2023, on our consideration of the Partnership’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Partnership's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Partnership's internal control over financial reporting and compliance.

Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2023

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The following discussion provides a summary overview of the financial activities of the Community Partnership on Aging (the "Partnership") for the year ended December 31, 2022. The intent of this discussion and analysis is to look at the Partnership's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Partnership's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- For the year ended December 31, 2022, the Partnership implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases.* The objective of this GASB Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases. Implementation of GASB Statement No, 87 resulted in the Partnership reporting a right-of-use asset and a lease liability for a lease signed in 2022. See Note 3 for additional information regarding GASB Statement No. 87.

- Net position of governmental activities increased by $200,769 from 2021. The Partnership has no business-type activities.

- The Assets and deferred outflows of resources of the Partnership exceeded its liabilities and deferred inflows of resources at December 31, 2022, by $200,837.

- Total assets increased by $3,247 in 2022, which represents an increase of .33% from 2021. Cash equivalents, accounts receivable, premium refunds receivable and prepaid workers compensation experienced decreases in 2022 of $49,774, $3,719, $335 and $99, respectively, while prepaid items, net postemployment benefits, capital assets and intangible right-of-use assets experienced increases in 2022 of $5,733, $45,865, $553 and $5,023, respectively.

- Total liabilities decreased by $231,138 in 2022, which represents a decrease of 34.18% from 2021. Current liabilities decreased $21,359 due, primarily, to a $25,038 decrease in unearned revenue. Long-term liabilities decreased $209,779 ,due, primarily, to decreases in other noncurrent liability and net pensions liability of $3,438 and $210,833, respectively.

- The deferred outflows of resources increased by $34,000 and the deferred inflows of resources increased by $67,616 from 2021. These accounts are related to GASB Statement No. 68 and GASB Statement No. 75 reporting.

- The fund balance of the General fund, the Partnership's operating fund, decreased by $76,803 from 2021. The decrease was primarily due to internal transfers to other funds. The purpose of the transfers was to cover fund balance deficits in other funds.

- The Community Partnership Foundation (the "Foundation") completed its seventh year of active service in 2022. The Foundation is a 501(C)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership. The Foundation received contributions of $17,616 in 2022.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Partnership's basic financial statements. The Partnership's financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements* -** The government-wide financial statements are designed to provide the reader with a broad overview of the Partnership's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Partnership's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Partnership is improving or deteriorating.

The *statement of activities* presents information showing how the Partnership's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Partnership that are principally supported by user fees and charges and the program expenses used to operate during the fiscal year.

The government-wide financial statements can be found on pages 16 and 17 of this report.

***Fund Financial Statements* -** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Partnership, like State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Partnership are categorized as governmental funds.

Governmental funds – The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Partnership, including its blended component unit, Community Partnership Foundation, maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for which the General Fund, Special Accounts Fund, Cuyahoga County Division of Senior & Adult Services fund, Title IIIB & IIIC fund and Community Partnership Foundation fund are considered to be the major funds. The governmental fund financial statements can be found on pages 18 through 21 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Partnership's financial position. In the case of the Partnership, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $200,837, resulting in a positive net position at the close of the fiscal year. GASB Statement No. 68 and GASB Statement No. 75 related pension and postemployment benefit liabilities/assets were major factors in the Partnership's net position at year end.

Included in the Partnership's year-end net position are restricted funds of $61,540 and net investments in capital assets of $15,934. Restricted funds are limited in use to only those programs/activities for which they have been earmarked. The Partnership uses the capital assets to provide services to senior adults; consequently, investments in capital assets are not available for future spending.

At the end of the current fiscal year, the Partnership reported a positive balance in the unrestricted portion of the net position in the governmental activities unlike the prior fiscal year. The following table shows net position for the year 2022 compared to year 2021.

Table 1
Net Position

	2022	2021	Variance
Assets:			
Current Assets	$ 864,983	$ 913,177	$ (48,194)
Postemployement Benefits	104,427	58,562	45,865
Capital Assets, Net	16,741	16,188	553
Intangible Right-Of-Use Assets, Net	5,023	0	5,023
Total Assets	991,174	987,927	3,247
Deferred Outflows of Resources			
Pension	139,578	76,247	63,331
Postemployement Benefits	734	30,065	(29,331)
Total Deferred Outflows	140,312	106,312	34,000
Liabilities:			
Current Liabilities	95,147	116,506	(21,359)
Noncurrent Liabilities			
Other	33,749	37,187	(3,438)
LT Operating Lease	4,492	0	4,492
Pensions	311,735	522,568	(210,833)
Total Liabilities	445,123	676,261	(231,138)
Deferred Inflows of Resources			
Pension	377,634	233,751	143,883
Postemployement Benefits	107,892	184,159	(76,267)
Total Deferred Inflows	485,526	417,910	67,616
Net Position:			
Net Investments in Capital Assets	15,934	16,188	(254)
Restricted For:			
Support Services	61,540	65,348	(3,808)
Unrestricted	123,363	(81,468)	204,831
Total Net Position	$ 200,837	$ 68	$ 200,769

As noted above, the Partnership's net position increased by $200,769 in 2022. This increase is mainly due to a decrease in GASB 68 and GASB 75 pensions and postemployment benefits expense.

The net pensions liability is the largest liability reported by the Partnership at December 31, 2022, and it is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" . For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Partnership's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the postemployment benefits asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Partnership's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Partnership is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Partnership's statements, prepared on an accrual basis of accounting, include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

The Partnership reported pension expense and OPEB expense of ($53,424) and ($92,801), respectively, net pension liability of $311,735 and a net OPEB asset of $104,427 at December 31, 2022.

Table 2 reflects the changes in net position in 2022 and 2021 for governmental activities.

Table 2
Changes in Net Position

	2022	2021	Variance
Program Revenues			
Charges For Services	$ 15,946	$ 16,628	$ (682)
Operating Grants and Contributions	296,694	251,664	45,030
Total Program Revenues	312,640	268,292	44,348
General Revenues			
Intergovernmental	668,830	655,895	12,935
Earnings on Investments	443	64	379
Miscellaneous	267	297	(30)
Total General Revenues	669,540	656,256	13,284
Total Revenues	982,180	924,548	57,632
Program Expenses			
Wages and Benefits	499,159	257,533	241,626
Building Rent and Maintenance	7,596	7,596	-
Materials and Supplies	32,365	55,344	(22,979)
Utilities	9,087	9,744	(657)
Transportation	162,948	140,802	22,146
Technical Services	6,883	15,693	(8,810)
Liability Services	13,852	12,889	963
Other	49,521	50,726	(1,205)
Total Program Expenses	781,411	550,327	231,084
Change in Net Position	200,769	374,221	(173,452)
Net Position, Beginning of Year	68	(374,153)	374,221
Net Position, End of Year	$ 200,837	$ 68	$ 200,769

Governmental Activities

Program revenues of governmental activities represent 31.83% in 2022 and 29.02% in 2021 of total revenues. They consisted of monies received from clients, Western Reserve Area Agency on Aging, Cuyahoga County Division of Senior & Adult Services, and the Partnership's member municipalities for services performed as defined by the Partnership Board and the contractual agreements with these agencies.

General revenues of governmental activities represent 68.17% in 2022 and 70.98% in 2021 of total revenues. Of the Partnership's 2022 total general revenues, 99.89% relates to unrestricted local grants and entitlements. Investment income and miscellaneous revenues constitute less than one percent of the Partnership's general revenues during 2022.

Charges for services revenue decreased by $682 in 2022, the decrease was mainly due to an increase in grant funded client programming. Operating grants and contributions revenue increased by $45,030 in 2022 due, primarily, to an increase in grant monies received from private foundations for the CARE program. Intergovernmental revenue increased by $12,935 in 2022 due to an increase in the 2022 budget which increased funding from the COG member municipalities. And earnings on investments revenue increased by $379 in 2022 due to increases in interest rates.

Expenses for governmental net position include program expenditures, which represent the overhead costs of running the Partnership and the support services provided for senior activities. These include the costs of internal services such as payroll and purchasing.

Wages and benefits expense increased by $241,626 in 2022; while actual wages and benefits did increase by $35,665, due to staffing changes, pay increases and increased employee health insurance premiums, the remaining increase of $205,961 was due to the difference between the 2021 and 2022 GASB Statement No. 68 and GASB Statement No. 75 related pension and postemployment benefit expenses. Materials and supplies, utilities, technical services and other expenses decreased by $22,979, $657, $8,810 and $1,205, respectively, in 2022, due to greater expenses being incurred in 2021 to address COVID related client needs and organizational responsibilities including those costs involved with resuming normal programming activities and business operations after returning from the COVID shutdown. Transportation and liability services expenses increased by $22,146 and $963, respectively, in 2022, due to increased client related transportation activity and an increase in liability insurance premiums.

The first column of the Statement of Activities on page 17 indicates that the major program expenses for governmental activities are for wages and benefits and transportation, which account for 63.88% and 20.85%, respectively, of all governmental expenses in 2022. The next two columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants and/or contributions received by the Partnership that must be used to provide a specific service. The Net Revenues (Expenses) column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from unrestricted funds within the Partnership. These net costs are paid from the general revenues which are presented at the bottom of the Statement.

The Statement of Revenues, Expenditures and Changes in Fund Balances on page 20 identifies the activities within each of the individual governmental funds, notable 2022 governmental fund financial highlights are as follows:

General Fund
Intergovernmental revenue decreased $27,065 in 2022 due to revenue that was received from a COVID related State grant in 2021 that was not duplicated in 2022. If the COVID related grant is removed from the calculation, intergovernmental revenue actually increased by $12,935 in 2022 due to an increase in the 2022 budget which was funded by our member cities. Charges for services increased $1,450 in 2022 due to restarting the Lunch and A Movie program that had been stopped for COVID related purposes. Earnings on investments increased by $264 in 2022

due to increased interest rates. And contributions and donations increased $15,294 in 2022 due to an increase in grant funding received from private foundations.

Wages and benefits expense decreased $24,532 in 2022 due primarily to the December 2021 retirement of the homemaker coordinator, the homemaker program has been temporarily placed on hold, so no one was hired to fill that position. While employees did receive a 2% pay increase and employee health insurance premiums did increase by 13.68% in 2022 the retirement of the homemaker coordinator and other various staffing changes resulted in a decrease in 2022 wages and benefits expense. Materials and supplies, utilities, technical services, liability services and other expenses decreased by $26,231, $567, $1,590, $846 and $4,876, respectively, in 2022, due to greater expenses being incurred in 2021 to address COVID related client needs and organizational responsibilities including those costs involved with resuming normal programming activities and business operations after returning from the COVID shutdown. And transportation expense increased by $20,542 in 2022, due to increased client related transportation activity.

Special Fund
Charges for services revenue decreased $2,182 in 2022, the decrease was mainly due to an increase in grant funded client programming that enabled clients to attend fee-based programs at no cost. Contributions and donations revenue decreased $6,147 in 2022 due primarily to a $4,274 decrease in fundraising income and a $1,156 decrease in individual contribution income. Materials and supplies decreased $158 in 2022 and other expenses increased $4,135 as a result of increases in exercise and line dance instructor expenses that resulted from increased activity and instructor billing rate increases.

Cuyahoga County Division of Senior & Adult Services Fund
Intergovernmental revenue increased $15,126 in 2022 due to increases in transportation and adult development program activities; the $15,126 increase was comprised of $9,902 received for transportation and $5,224 received for adult developmental programs. The increased activity also resulted in an $11,846 increase in total expenditures in 2022; the two major factors included in the $11,846 increase were transportation expense of $5,359 and wages and benefits expense of $6,614.

Title IIIB & IIIC Fund
Intergovernmental funding decreased by $3,373 in 2022; while social service funding increased by $8,274, due to a greater number of social service hours being provided in 2022 than in 2021, congregate meal income decreased by $11,647 due to a 2022 contractual modification that reduced the 2022 IIIC per meal reimbursement/funding amount. Contributions and donations increased by $874 in 2022 due to a post-shutdown increase in onsite activity and congregate meal related client donations. The increase in onsite activity and social service hours, along with employee pay increases, resulted in a $45,518 increase to wages and benefits expense in 2022. Utilities and liability services expenses also increased by $7 and $1,018, respectively, in 2022, while materials and supplies, technical services, and other expenses decreased by $1,908, $1,205 and $2,618, respectively, in 2022. Transportation expense also decrease by $3,755 in 2022 due to a change in the group trip/individual trip billing ratio; the cost of a one-way group trip is less expensive than the cost of a one-way individual trip and group trips increased in 2022.

Community Partnership Foundation
An increase in grant monies received from private foundations resulted in a $15,826 increase in contributions and donations revenue in 2022. Wages and benefits expense increased $2,399 in 2022; 2022 wages and benefits expense consisted of $7,660 paid toward the CARE program coordinator's salary and $2,239 paid toward the salaries of the staff members involved in the C2U Senior Tech Program's classroom training. Materials and supplies also increased by $5,778 in 2022 due to C2U Senior Tech Program related expenses.

Other Governmental Funds
The CARE program fund was the only other governmental fund in 2022.

The CARE program fund experienced a $47,430 increase in contributions and donations revenue in 2022 due, primarily, to an increase in private foundation grant funding. Charges for services revenue also increased $50 in 2022. Due to an increase in the CARE coordinator's wages, benefits and scheduled work hours wages and benefits expense increased $6,429 in 2022. Materials and supplies and technical services expenses also increased $819 and $604, respectively, in 2022 due to an increase in program activities, and utilities and other expenses decreased $189 and $85, respectively, in 2022.

Capital Assets

At the end of 2022, the Partnership had $16,741 invested in appliances, furniture, fixtures and equipment and $5,023 in leased equipment. Table 3 shows 2022 balances of capital assets as compared to 2021.

Table 3 - Capital Assets At December 31 (Net of Depreciation)

	Governmental Activities	
	2022	2021
Appliances	$ 9,633	$ 9,633
Furniture, Fixtures and Equipment	54,218	51,310
Accumulated Depreciation	(47,110)	(44,755)
Total Capital Assets Being Depreciated	$ 16,741	$ 16,188
Intangible Right-Of-Use:		
Leased Equipment	6,279	-
Accumulated Depreciation	(1,256)	-
	$ 5,023	$ -
Total Capital Assets, Net	$ 21,764	$ 16,188

Capital assets increased by $5,576 in 2022. The increase was mainly due to the purchase of new computers and acquiring a new copy machine through a lease agreement. See Note 8 for further discussion on capital assets.

Long-Term Obligations

At December 31, 2022, the Partnership had $5,830 in lease payable liability, $1,388 of which was due within one year, $32,411 in compensated absences liability, which is considered a long-term obligation, and $311,735 in net pension liability. 2022 compensated absences decreased by $4,776 from the 2021 compensated absences liability balance of $37,187, 2022 pension liability decreased by $210,833 from the 2021 pension liability balance of $522,568 and lease payable liability increased by $5,830 from the 2021 lease payable liability of $0. See Note 6 for further discussion on compensated absences, Note 7 for detailed information regarding long-term obligations, and Note 9 for further discussion on the net pension liability.

Current Issues Affecting Financial Condition

2022 was a year of increased activity for Community Partnership on Aging as normal operations and onsite activities were reestablished in the wake of the COVID pandemic. While the onsite congregate meal program was reestablished in 2022, frozen meals also continued to be distributed for home use, in all, 31,306 meals were provided through congregate meal and café services in 2022. In addition to the meals provided in 2022, there were also 7,544 one-way rides provided through transportation services; social workers engaged in 846 hours of supportive service related home, office and telephone consultations; agency social, educational and health related programs/activities received 9,880 episodes of participation; an average of 190 individuals/households received multiple totes of produce/fresh food every month; 614 40-pound boxes of nonperishable foods were distributed and 31 households received necessary durable medical equipment or safety updates through the Safe At Home program.

While we anticipate that the demand and the need for our services will continue to increase in 2023, as will the expenses associated with providing these services, our outlook for 2023 is very positive As always, our member communities of Lyndhurst, Highland Heights, Mayfield Heights, Mayfield Village, Richmond Heights and South Euclid remain dedicated to the older adults who reside in their cities. We feel confident that the funding we receive from our member communities, the Cuyahoga County Health and Human Service Levy, Western Reserve Area Agency on Aging, along with other various grants and donations received through other agencies, foundations and individuals will prove to be adequate to meet the needs of 2023.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Partnership's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Chief Financial Officer, Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio 44121.

Community Partnership on Aging

Statement of Net Position

December 31, 2022

Assets:		
Equity in Pooled Cash and Cash Equivalents	$	802,157
Accounts Receivable		31,996
Prepaid Workers' Compensation		46
Prepaid Items		30,784
Net Postemployment Benefits Asset (See Note 10)		104,427
Depreciable Capital Assets, Net		16,741
Right-Of Use Assets, Net		5,023
Total Assets		991,174
Deferred Outflows of Resources:		
Pension		139,578
Postemployment Benefits		734
Total Deferred Outflows of Resources		140,312
Liabilities:		
Accounts Payable		29,845
Accrued Payables		243
Accrued Wages		12,995
Insurance Premiums Payable		164
Unclaimed Property		75
Unearned Revenue		51,825
Long-Term Liabilities:		
Due Within One Year		33,749
Due In More Than One Year:		
LT Operating Lease Liability		4,492
Net Pension Liability (See Note 9)		311,735
Total Liabilities		445,123
Deferred Inflows of Resources:		
Pension		377,634
Postemployment Benefits		107,892
Total Deferred Inflows of Resources		485,526
Net Position:		
Investment In Capital Assets		15,934
Restricted For:		
Support Services		61,540
Unrestricted (Deficit)		123,363
Total Net Position	$	200,837

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

Community Partnership on Aging

Statement of Activities
For the Year Ended December 31, 2022

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
				Primary Government
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Wages and Benefits	$ 499,159	$ 4,092	$ 189,801	$ (305,266)
Building Rent and Maintenance	7,596	-	-	(7,596)
Materials and Supplies	32,365	7,949	32,935	8,519
Utilities	9,087	115	891	(8,081)
Transportation	162,948	-	29,669	(133,279)
Technical Services	6,883	83	2,500	(4,300)
Liability Services	13,852	-	-	(13,852)
Other	49,521	3,707	40,898	(4,916)
Total Program Expenses	$ 781,411	$ 15,946	$ 296,694	(468,771)

General Revenues	
Intergovernmental	668,830
Earnings on Investments	443
Miscellaneous	267
Total General Revenues	669,540
Change in Net Position	200,769
Net Position Beginning of Year	68
Net Position End of Year	$ 200,837

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

Community Partnership on Aging

Balance Sheet
Governmental Funds
December 31, 2022

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Funds	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	$ 517,666	$ 248,401	$ -	$ -	$ 17,949	$ 18,141	$ 802,157
Accounts Receivable	22,701	-	3,771	5,524	-	-	31,996
Prepaid Workers' Compensation	46	-	-	-	-	-	46
Prepaid Items	29,474	-	-	121	-	1,189	30,784
Total Assets	$ 569,887	$ 248,401	$ 3,771	$ 5,645	$ 17,949	$ 19,330	$ 864,983
Liabilities							
Accounts Payable	$ 17,559	$ 2,408	$ 7,978	$ 1,136	$ -	$ 764	$ 29,845
Accrued Payables	224	-	-	5	-	14	243
Accrued Wages	9,690	-	458	2,062	-	785	12,995
Insurance Premiums Payable	143	-	21	-	-	-	164
Unclaimed Property	75	-	-	-	-	-	75
Unearned Revenue	51,825	-	-	-	-	-	51,825
Total Liabilities	79,516	2,408	8,457	3,203	-	1,563	95,147
Fund Balances							
Nonspendable	29,520	-	-	121	-	1,189	30,830
Restricted	18,528	22,758	-	2,321	1,355	16,578	61,540
Committed	-	223,235	-	-	16,594	-	239,829
Unassigned	442,323	-	(4,686)	-	-	-	437,637
Total Fund Balances (Deficits)	490,371	245,993	(4,686)	2,442	17,949	17,767	769,836
Total Liabilities & Fund Balances	$ 569,887	$ 248,401	$ 3,771	$ 5,645	$ 17,949	$ 19,330	$ 864,983

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

Community Partnership on Aging

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022

Total Governmental Funds Balances	$ 769,836
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets and right-of-use assets used in governmental activities are not financial resources and therefore are not reported in the funds	21,764
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	
Compensated Absences Payable	(32,411)
Lease Payable	(5,830)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows/inflows are not reported in the funds:	
Deferred Outflows - Pension	139,578
Deferred Inflows - Pension	(377,634)
Net Pension Liability	(311,735)
The postemployment benefits asset is not due and receivable in the current period; therefore, the asset and related deferred inflows/outflows are not reported in Government Funds:	
Deferred Outflows - Postemployment Benefits	734
Deferred Inflows - Postemployment Benefits	(107,892)
Net Postemployment Benefits Asset	104,427
Net Position of Governmental Activities	$ 200,837

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

Community Partnership on Aging

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Fund	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Revenues							
Intergovernmental	$ 668,830	$ -	$ 43,172	$ 124,108	$ -	$ -	$ 836,110
Charges For Services	1,450	10,046	-	-	-	4,450	15,946
Earnings on Investments	292	151	-	-	-	-	443
Contributions and Donations	32,613	13,245	-	8,075	17,616	57,865	129,414
Other	267	-	-	-	-	-	267
Total Revenue	703,452	23,442	43,172	132,183	17,616	62,315	982,180
Expenditures							
Current:							
Wages and Benefits	454,202	-	54,992	160,527	9,899	47,397	727,017
Building Rent and Maintenance	-	-	-	7,596	-	-	7,596
Materials and Supplies	10,205	7,936	1,665	4,959	5,778	1,822	32,365
Utilities	4,025	-	1,082	2,665	-	1,315	9,087
Transportation	40,060	-	96,015	26,873	-	-	162,948
Technical Services	11,315	-	215	353	-	946	12,829
Liability Services	5,388	-	3,207	5,257	-	-	13,852
Other	16,395	14,033	6,644	11,746	-	-	48,818
Debt Services:							
Lease Principal Expense	492	-	301	492	-	14	1,299
Lease Interest Expense	116	-	77	127	-	13	333
Total Expenditures	542,198	21,969	164,198	220,595	15,677	51,507	1,016,144
Excess of Revenues Over (Under) Expenses	161,254	1,473	(121,026)	(88,412)	1,939	10,808	(33,964)
Other Financial Sources (Uses)							
Lease Liability issued	7,129	-	-	-	-	-	7,129
Transfers In	-	41,797	122,623	80,766	-	-	245,186
Transfers Out	(245,186)	-	-	-	-	-	(245,186)
Total Other Financial Sources (Uses)	(238,057)	41,797	122,623	80,766	-	-	7,129
Net Change in Fund Balances	(76,803)	43,270	1,597	(7,646)	1,939	10,808	(26,835)
Fund Balances (Deficits) Beginning of Year	567,174	202,723	(6,283)	10,088	16,010	6,959	796,671
Fund Balances (Deficits) End of Year	$ 490,371	$ 245,993	$ (4,686)	$ 2,442	$ 17,949	$ 17,767	$ 769,836

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

Community Partnership on Aging

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Government Funds	$ (26,835)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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 as depreciation expense. This is the amount by which capital outlays and depreciation differed in the current period.	5,576
Other financing sources in the governmental funds that increase long term liabilities in the Statement of Net Position.	
Lease Payable	(7,129)
Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
Lease Payable	1,299
Some expenses reported in the statement of activities do not require the use of current fiscal resources and therefore are not reported as expenditures in Governmental Funds.	
Compensated Absences	4,776
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Deferred Outflows - Pension	76,857
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net postemployment benefit liability are reported as pension expense/postemployment benefit expense in the statement of activities.	
Pension Expense	53,424
Postemployment Benefit Reduction of Expense	92,801
Change in Net Position of Governmental Activities	$ 200,769

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

Note 1: Reporting Entity

The Community Partnership on Aging, Cuyahoga County, (the "Partnership"), is a Council of Governments. The Partnership consists of six member communities: Mayfield Village and the cities of Highland Heights, Lyndhurst, Mayfield Heights, Richmond Heights and South Euclid.

The mayors of each of these six communities comprise the Partnership's Board of Directors. The Partnership's function is to help older persons maintain independence and dignity in a home environment, remove barriers to independence for older persons, and provide a continuum for the vulnerable elderly.

The Community Partnership Foundation, (the "Foundation"), is a 501(c)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership.

The Foundation's bylaws and articles of incorporation identify the Partnership as the sole member of the Foundation and, therefore, the Foundation is considered to be a component unit of the Partnership. Based on this relationship, GASB Statement No. 80 requires the Partnership and the Foundation to present blended financial statements wherein the two organizations combine their financial information.

Financial Information for the Foundation can be obtained by submitting a request to the Financial Administrator, Community Partnership Foundation, 1370 Victory Drive, South Euclid, Ohio 44121.

The Partnership's management believes these financial statements present all activities for which the Partnership is financially accountable.

Note 2: Summary of Significant Accounting Policies

The financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Partnership's accounting policies are described below.

A. Basis of Presentation

The Partnership's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Partnership as a whole. These statements include the financial activities of the primary government.

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The statement of net position presents the financial condition of the governmental activities of the Partnership at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Partnership's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues of the Partnership, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Partnership.

Fund Financial Statements

During the year, the Partnership segregates transactions related to certain Partnership functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Partnership at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Partnership uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Partnership classifies its funds as governmental.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the Partnership's major governmental funds:

> *General Fund* – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Partnership for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> *Special Accounts Fund* – The special accounts fund includes money received from donations, special program income, and funds derived from fundraisers to benefit senior adults.

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Cuyahoga County Division of Senior & Adult Services Fund – This fund accounts for social services that are intended to strengthen and maintain the well-being of seniors and at-risk adults. Grant services include adult development programs and transportation.

Title IIIB/IIIC Fund – This fund accounts for social services which inform the local population of available services and/or assist potential participants in accessing services. Grant services include congregate meals, supportive services, and transportation.

Community Partnership Foundation – This fund accounts for the financial activities of the Community Partnership Foundation. The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership and their future financial activities will reflect this purpose. As required by GASB 80, this fund is blended with the primary government.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Partnership are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Available period for the Partnership is sixty days after year-end.

Non-exchange transactions, in which the Partnership receives value without directly giving equal value in return, include grants, contributions and donations.

Revenue from grants, contributions and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Partnership must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Partnership on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: contributions and donations, earnings on investments, grants and charges for services.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets, that apply to a future period and will not be recognized as an outflow of resources (expense) until then. For the Partnership, deferred outflows of resources include a deferred charge for future pension and other postemployment benefit (OPEB) obligations. The deferred outflows of resources related to pensions and OPEB plans are explained in Note 9 and Note 10, respectively.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that apply to a future period and will not be recognized until that time. For the Partnership, deferred inflows of resources include changes in net pension and net OPEB obligations. The deferred inflows of resources related to pensions and OPEB are explained in Note 9 and Note 10, respectively.

E. Cash and Cash Equivalents

Cash received by the Partnership is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Partnership's records.

During fiscal year 2022, the Partnership’s investments were limited to non-negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

For presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Partnership are considered to be cash equivalents. Instruments with an initial maturity of more than three months are reported as investments.

F. Budgetary Process

The Partnership is not bound by the budgetary laws prescribed by the Ohio Revised Code. The Board passes an annual budget prior to the beginning of the fiscal year.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

H. Capital Assets and Depreciation

All capital assets are recorded at historical cost and updated for additions and retirements during the year. The Partnership maintains a capitalization threshold of $100. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Appliances	10 years
Furniture, Fixtures and Equipment	8 – 20 years

Note 2: Summary of Significant Accounting Policies (continued)

H. Capital Assets and Depreciation (continued)

All intangible right of use leased assets are recorded at historical cost and updated for additions and retirements during the year. Amortization is computed using the straight-line method over the term of the lease.

I. Compensated Absences

The Partnership reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits were accrued as a liability using the vesting method. The liability included the employees who were eligible to receive termination benefits and those that the Partnership had identified as probable of receiving payment in the future. The amount was based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the Partnership's termination policy. The last person who was eligible to receive sick leave termination benefits retired in November 2021, as a result, there will no longer be a liability reported for sick leave benefits.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are reported as "Long-Term Liabilities: Due Within One Year". There was no noncurrent portion of the liability to report at December 31, 2022.

J. Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in full in a timely manner from current financial resources are reported as obligations of the funds. However, compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

K. Net Position

Net position represents the difference between all other elements in a statement of financial position. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Partnership or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Partnership applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 2: Summary of Significant Accounting Policies (continued)

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Partnership and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2022.

M. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Partnership must observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Partnership's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Partnership for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Partnership Board or a Partnership official delegated that authority by resolution, or by State statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Note 2: Summary of Significant Accounting Policies (continued)

N. Fund Balance (continued)

The Partnership applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

O. Pensions / Other Postemployment (OPEB) Liabilities (Asset)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pension/OPEB, and pensions/OPEB expense (reduction of expense), information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value. Additional details on the pension/OPEB systems are provided in Note 9 and Note 10, respectively.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Note 3: Changes in Accounting Principles

A. Newly Adopted Accounting Pronouncements

For fiscal year 2022, the Partnership implemented the following Governmental Accounting Standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB Implementation Guide No. 2019-3, *Leases,* provides guidance that clarifies, explains, or elaborates on the requirements for GASB Statement No. 87.

Note 3: Changes in Accounting Principles (continued)

A. Newly Adopted Accounting Pronouncements (continued)

These changes were incorporated in the Partnership's 2022 financial statements and resulted in the Partnership reporting a right-of-use asset and lease liability for a lease signed in 2022.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

B. Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* was issued in March 2020. This statement clarifies the accounting and financial reporting surrounding public-private and public-public partnerships and availability payment arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* was issued in May 2020. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements. The requirements of this statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 99, *Omnibus 2022,* was issued in April 2022. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The effective date of this standard to reporting periods beginning after June 15, 2022. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62,* was issued in June 2022. The primary objective of this Statement is to 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. The effective date of this standard to reporting periods beginning after June 15, 2023. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

Note 4: Deposits and Investments

The Partnership follows State statute and classifies held monies into three categories.

Active deposits are amounts necessary to meet current cash needs. Such monies are maintained either in commercial accounts payable or withdrawable on demand accounts, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest therein.
2. Bonds, notes, debentures or other obligations or securities issued by any federal government agency.
3. Deposits with financial institutions and savings and loan associations, collateralized, as required by law.
4. State Treasurer's investment pool (STAR Ohio).
5. Bonds and other obligations of the State of Ohio.
6. Repurchase agreements fully collateralized with securities listed in 1 and 2 above.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Partnership will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2022, $220,522 of the Partnership's total bank balance of $819,254 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the Partnership's financial institutions negotiated a reduced collateral floor of 60 percent with the Ohio Pooled Collateral System (OPCS) resulting in the uninsured and uncollateralized balance.

The Partnership has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

1) Eligible securities pledged to the Partnership and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

2) Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Note 5: Receivables

Accounts receivable included on the statement of net position at December 31, 2022 consists primarily of fees receivable and miscellaneous service receivables due from grantors, clients and member municipalities. Management considers all receivables fully collectible.

Note 6: Compensated Absences

Accumulated unpaid vacation is accrued when earned and is to be used within the subsequent calendar year. In accordance with the Partnership vacation leave policy, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be due within one year.

Partnership employees are paid for any unused vacation, earned and accrued for from the prior year, plus one-twelfth of their current year's anticipated annual vacation for every month worked up to the time of termination.

Sick leave is earned for full and regular part-time employees at the rate of 3.75 hours for each completed 75 hours of normal service. Upon retirement or death, employees hired before October 1, 2007 with ten or more active years of service are to be paid one-fourth of their accumulated sick leave, not to exceed 960 hours. Sick leave in excess of the 960 hour maximum is not paid upon retirement or death. There is no sick leave lump-sum pay-out benefit available to those employees hired after October 1, 2007.

Note 7: Long-Term Obligations

The changes in the Partnership's long-term obligations during 2022 were as follows:

	Principal Outstanding 12/31/2021	Additions	Deductions	Principal Outstanding 12/31/2022	Amounts Due in One Year
Governmental Activities:					
Lease Payable	$ -	$ 7,129	$ 1,299	$ 5,830	$ 1,338
Compensated Absences	37,187	32,411	37,187	32,411	32,411
Net Pension Liability:					
OPERS	522,568	-	210,833	311,735	-
Total Governmental Activities	$ 559,755	$ 39,540	$ 249,319	$ 349,976	$ 33,749

Lease Payable - The Partnership entered into a contract for the use of copier equipment. The contract meets the definition of a lease under GASB Statement No. 87. A summary of the principal and interest amounts for the remaining lease is as follows:

Note 7: Long-Term Obligations (continued)

Year	Principal	Interest
2023	$ 1,338	$ 294
2024	1,415	217
2025	1,497	135
2026	1,580	52
	$ 5,830	$ 698

The Partnership pays obligations related to employee compensation and lease payables from the fund benefiting from their service.

Note 8: Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Capital Assets Being Depreciated				
Appliances	$ 9,633	$ -	$ -	$ 9,633
Furniture, Fixtures and Equipment	51,310	2,908	-	54,218
Intangible Right-Of-Use:				
Leased Equipment	-	6,279	-	6,279
Total Capital Assets Being Depreciated	60,943	9,187	-	70,130
Less Accumulated Depreciation and Amortization For:				
Appliances	(5,973)	(388)	-	(6,361)
Furniture, Fixtures and Equipment	(38,782)	(1,967)	-	(40,749)
Intangible Right-Of-Use:				
Leased Equipment	-	(1,256)		(1,256)
Total Accumulated Depreciation and Amortization	(44,755)	(3,611)	-	(48,366)
Total Capital Assets, Net	$ 16,188	$ 5,576	$ -	$ 21,764

Depreciation expense was fully charged to the other function.

Note 9: Defined Benefit Pension Plans

A. Net Pension/Other Postemployment Benefits (OPEB) Liability/Asset

The net pension/OPEB liability/asset reported on the Statement of Net Position represents a liability/asset to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

Note 9: Defined Benefit Pension Plans (continued)

A. Net Pension/Other Postemployment Benefits (OPEB) Liability/Asset (continued)

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

Ohio Revised Code limits the Partnership's obligation for this liability to annually required payments. The Partnership cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Partnership does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68 and 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Funded benefits is presented as a long-term net pension/OPEB asset. Any liability for the contractually required contribution outstanding at the end of the year is included in accrued liabilities on the accrual basis of accounting. The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Partnership employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g., Partnership employees) may elect the combined plan or member-directed plan, all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

Note 9: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career. Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

The traditional plan is a defined benefit plan in which a member's retirement benefits are calculated on a formula that considers years of service and FAS. Pension benefits are funded by both member and employer contributions and investment earnings on those contributions.

The following table provides age and service requirements for retirement and the retirement formula applied to the FAS for the three member groups under the traditional plan (see OPERS ACFR referenced above for additional information):

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

When a benefit recipient retiring under the traditional pension plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3% simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Note 9: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the traditional pension plan.

The OPERS Board of Trustees approved a proposal at its October 2019 meeting to create a new tier of membership in the OPERS traditional pension plan. OPERS currently splits its non-retired membership into Group A, B or C depending on age and service criteria. Retirement Group D would consist of OPERS-contributing members hired in 2022 and beyond. Group D will have its own eligibility standards, benefit structure and unique member features designed to meet the changing needs of Ohio public workers. It also will help OPERS address expected investment market volatility and adjust to the lack of available funding for health care. The specifics of this new tier are in discussion with stakeholder groups and will be finalized in 2022.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll for members in the state and local classifications.

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2022 for the traditional pension plan. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Partnership's contractually required contribution for the traditional plan for 2022 was $76,857. For the 2022 amounts, $1,565 is reported as accrued wages and benefits and $5,995 is reported as accounts payable at December 31, 2022.

C. Actuarial Assumptions – OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the traditional plan is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Note 9: Defined Benefit Pension Plans (continued)

C. Actuarial Assumptions – OPERS (continued)

	OPERS Traditional Plan
Valuation date	December 31, 2021
Experience study	5-year period ended December 31, 2020
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Investment rate of return	6.90%
Wage inflation	2.75%
Projected salary increases, including 2.75% wage inflation	2.75 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 retirees	3.00% Simple
Post-Jan 7, 2013 retirees	3.00% Simple through 2022 then 2.05% Simple

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2020 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the traditional plan, the defined benefit component of the combined plan and the annuitized accounts of the member-directed plan. The money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for changing amounts actually invested for the Defined Benefit portfolio was 15.3% for 2021

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension

Note 9: Defined Benefit Pension Plans (continued)

C. Actuarial Assumptions – OPERS (continued)

plans. The long-term expected rate of return on defined benefit investment assets was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	2021 Target Allocation	2021 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	24.0%	1.03%
Domestic equities	21.0%	3.78%
Real estate investment trusts	11.0%	3.66%
Private equity	12.0%	7.43%
International equities	23.0%	4.88%
Risky parity	5.0%	2.92%
Other investments	4.0%	2.85%
Total	100.0%	4.21%

Discount Rate The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Partnership's proportionate share of net pension liability at December 31, 2022:

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
Partnership's proportionate share of the net pension liability(asset)– traditional	$ 821,904	$ 311,735	$ (112,793)

Note 9: Defined Benefit Pension Plans (continued)

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

The net pension liability for OPERS as of December 31, 2022, was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Partnership's proportion of the net pension liability was based on the Partnership's share of contributions to the pension plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. The following table reflects the proportionate share of pension expense for the current and prior years for all plans and thus the Partnership, in total. The related deferred outflows and deferred inflows of resources associated with the pension liability are presented below.

2022 net pension liability:

	OPERS Traditional
Proportion of the net pension liability/asset prior measurement date	0.003529%
Proportion of the net pension liability/asset current measurement date	0.003583%
Change in proportionate share	0.000054%
Proportionate share of the net pension liability	$ 311,735
Pension expense	$ (53,424)

At December 31, 2022, the Partnership reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS Traditional
Deferred outflow of resources	
Difference between expected and actual experience	$ 15,892
Change in assumptions	38,982
Differences in employer contributions and change in proportionate share	7,847
Contributions subsequent to the measurement date	76,857
Total deferred outflow of resources	$ 139,578

Note 9: Defined Benefit Pension Plans (continued)

D. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

		OPERS Traditional
Deferred inflow of resources		
Differences between projected and actual earnings on pension plan investments		370,798
Difference between expected and actual experience		6,836
Total deferred inflow of resources	$	377,634

The $76,857 reported as deferred outflows of resources related to pension resulting from the Partnership's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS Traditional
Fiscal year ending December 31:		
2023	$	(43,148)
2024		(125,592)
2025		(87,190)
2026		(58,983)
	$	(314,913)

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions

A. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – the Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed plan, a defined contribution plan; and the Combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. While members (e.g., Partnership employees) may elect the combined plan or member-directed plan, all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional plan.

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

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

A. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets. the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

A. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

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

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0% of earnable salary. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the traditional pension plan was 0.0% during fiscal year 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Partnership's contractually required contributions to OPERS health care plans was $-0- for 2022.

B. Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

Health care costs trend rate	5.50%, initial 3.50%, ultimate in 2034
Actuarial cost method	Individual Entry Age
Investment rate of return	6.00%
Municipal bond rate:	
Current measurement date	1.84%
Prior measurement date	2.00%
Projected salary increases, including 2.75% wage inflation	2.75% to 10.75%
Single discount rate:	
Current measurement date	6.00%
Prior measurement date	6.00%

The most recent experience study was completed for the five-year period ended December 31, 2020.

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

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	2021 Target Allocation	2021 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.0%	0.91%
Domestic equities	25.0%	3.78%
Real estate investment trusts	7.0%	3.71%
International equities	25.0%	4.88%
Risk parity	2.0%	2.92%
Other investments	7.0%	1.93%
Total	100.0%	3.45%

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

Sensitivity of the Partnership's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the Partnership's proportionate share of the net OPEB asset calculated using the single discount rate, and the expected net OPEB asset if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

Partnership's proportionate share of net OPEB asset at December 31, 2022:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Partnership's proportionate share of the net OPEB asset	$ (61,412)	$ (104,427)	$ (140,128)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

As of December 31, 2022

	1% Decrease	Health Care Cost Current Discount Rate	1% Increase
Partnership's proportionate share of the net OPEB asset	$ (105,554)	$ (104,427)	$ (103,087)

Assumption Changes Since the Prior Measurement Date Municipal bond rate changed from 2.00% to 1.84%. The health care cost trend rate decreased from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

C. OPEB Asset Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS

The net OPEB asset for OPERS as of December 31, 2022 was measured as of December 31, 2021. The total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31 of the year prior and rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Partnership's proportion of the net OPEB asset was based on the Partnership's share of contributions to the OPEB plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. The following table reflects the proportionate share of OPEB expense for the current and prior years. The related deferred outflows and deferred inflows of resources associated with the OPEB liability (asset) are presented below.

Community Partnership on Aging

Notes to Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

C. OPEB Asset Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS (continued)

2022 net OPEB asset:

		OPERS
Proportion of the net OPEB asset prior measurement date		0.003287%
Proportion of the net OPEB asset current measurement date		0.003334%
Change in proportionate share		0.000047%
Proportionate share of the net OPEB asset	$	(104,427)
OPEB expense	$	(92,801)

At December 31, 2022, the Partnership reported deferred outflow and inflow of resources related to OPEB liability from OPERS OPEB plan, based on December 31, 2021 measurement, as indicated in the table below:

		OPERS
Deferred outflow of resources		
Differences in employer contributions and change in proportionate share	$	734
Total deferred outflow of resources	$	734
Deferred inflow of resources		
Change in assumptions	$	42,270
Difference between projected and actual earnings on OPEB plan investments		49,783
Difference between expected and actual experience		15,839
Total deferred inflow of resources	$	107,892

The Partnership reported $0 as deferred outflows of resources related to OPEB resulting from the Partnership's contributions subsequent to the measurement date, therefore all amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows

		Total
Fiscal year ending December 31:		
2023	$	(66,087)
2024		(23,044)
2025		(10,877)
2026		(7,150)
	$	(107,158)

Note 11: Risk Management

Commercial Insurance

The Partnership has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Abuse act liability
- Employment practices liability
- Professional liability
- Cyber liability,
- Stop gap liability; and
- Non-profit directors and officers coverage.

Settlements have not exceeded commercial insurance coverages in any of the past three fiscal years.

The Partnership also offers health insurance to employees who work at least 25 hours a week. The Partnership pays 85% of employee and 50% of employee dependent health insurance premiums.

Note 12: Related Party Transactions

One Partnership Council member was also a Board member of the Senior Transportation Connection, from which the Partnership acquired senior transportation services during 2022. The Partnership paid $161,232 for these services in 2022.

Note 13: Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balances are presented below:

Fund Balances	General	Special Accounts	Cuyahoga County Division of Senior & Adult Services	Title IIIB & IIIC	Community Partnership Foundation	Other Governmental	Total Governmental
Nonspendable for:							
Prepaids	$ 29,520	$ -	$ -	$ 121	$ -	$ 1,189	$ 30,830
Total nonspendable	29,520	-	-	121	-	1,189	30,830
Restricted for:							
Senior support services	18,528	22,758	-	2,321	1,355	16,578	61,540
Total restricted	18,528	22,758	-	2,321	1,355	16,578	61,540
Committed to:							
Senior support services	-	223,235	-	-	16,594	-	239,829
Total committed	-	223,235	-	-	16,594	-	239,829
Unassigned (deficit)	442,323	-	(4,686)	-	-	-	437,637
Total Fund Balance	$ 490,371	$ 245,993	$ (4,686)	$ 2,442	$ 17,949	$ 17,767	$ 769,836

Community Partnership on Aging

Notes to Basic Financial Statements (continued)

For the Year Ended December 31, 2022

Note 14: Interfund Activity

Interfund activity for the year ended December 31, 2022, consists of the following:

Transfers from:	Amount	Transfers to:	Amount
General Fund	$ 245,186	Special Accounts Fund	$ 41,797
		Cuyahoga County Division of Senior & Adult Services Fund	122,623
		Title IIIB & IIIC Fund	80,766
Total Transfers out	$ 245,186	Total Transfers in	$ 245,186

The transfers from the General Fund to the Cuyahoga County Division of Senior & Adult Services and Title IIIB & IIIC Funds were made to provide resources for current operations. The transfer from the General Fund to the Special Accounts Fund was made to provide resources for future operations.

Community Partnership on Aging

Required Supplementary Information
Schedule of the Partnership's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System – Traditional Plan
Last Nine Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Partnership's Portion of the Net Pension Liability	0.0035830%	0.0035290%	0.0035080%	0.0036830%	0.0035770%	0.0036360%	0.0034820%	0.0033950%	0.0033950%
Partnerships Proportionate Share of the Net Pension Liability	$ 311,735	$ 522,568	$ 693,380	$ 1,008,699	$ 561,162	$ 825,674	$ 603,126	$ 409,474	$ 400,226
Partnership's Covered Payroll	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043
Partnership's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.65%	104.42%	139.97%	202.01%	118.71%	181.40%	138.70%	97.79%	93.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available

Amounts presented as of the Partnership's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of Partnership's Pension Contributions
Ohio Public Employees Retirement System – Traditional Plan
Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ 76,857	$ 73,159	$ 70,063	$ 69,354	$ 69,907	$ 61,451	$ 54,619	$ 52,180	$ 50,245	$ 55,776
Contribution in Relation to the Contractually Required Contributions	(76,857)	(73,159)	(70,063)	(69,354)	(69,907)	(61,451)	(54,619)	(52,180)	(50,245)	(55,776)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered Payroll	$ 548,979	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of the Partnership's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Six Years

	2022	2021	2020	2019	2018	2017
Partnership's Portion of the Net OPEB Liability/Asset	0.0033340%	0.0032870%	0.0032670%	0.0034300%	0.0033400%	0.0034011%
Partnerships Proportionate Share of the Net OPEB Liability (Asset)	$ (104,427)	$ (58,562)	$ 451,258	$ 447,191	$ 362,699	$ 343,519
Partnership's Covered Payroll	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157
Partnership's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.98%	-11.70%	91.09%	89.56%	76.73%	75.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the Partnership's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of Partnership's OPEB Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ 4,727	$ 9,103	$ 8,697	$ 8,374	$ 4,290
Contribution in Relation to the Contractually Required Contributions	-	-	-	-	-	(4,727)	(9,103)	(8,697)	(8,374)	(4,290)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered-Employee Payroll	$ 548,979	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Notes to Required Supplementary Information

For the Year Ended December 31, 2022

Note 1: Net Pension Liability

Changes in Assumptions – OPERS

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – 2022

	OPERS Traditional plan
Valuation Date	December 31, 2021
Experience Study	5-year period ended December 31, 2020
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	6.90%
Wage Inflation	2.75%
Projected Salary Increases, including 2.75% inflation	2.75 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3.00% Simple
Post-Jan 7, 2013 Retirees	3.00% Simple through 2022 then 2.05% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2021

	OPERS Traditional plan
Valuation Date	December 31, 2020
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% Simple

Community Partnership on Aging

Notes to Required Supplementary Information (continued)

For the Year Ended December 31, 2022

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2020

	OPERS Traditional plan
Valuation Date	December 31, 2019
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

	OPERS Traditional plan
Valuation Date	December 31, 2018
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2017-2018

	OPERS Traditional plan
Valuation Date	December 31, 2017
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2016 and prior

	OPERS Traditional plan
Valuation Date	December 31, 2015
Experience Study	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases, including 3.75% inflation	4.25 to 10.05%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple

Mortality rates – For amounts reported beginning in 2022 for the 2021 measurement use pre-retirement mortality rates based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Amounts reported beginning in 2017 use mortality rates based on the RP-2014. Healthy Annuitant Mortality Table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled Mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

Note 2: Net OPEB Liability

Changes in Assumptions – OPERS

For fiscal year 2022, the municipal bond rate decreased from 2.00% to 1.84% and wage inflation decreased from 3.25% to 2.75%. The single discount rate remained 6.00%. The health care cost trend rate decreased from 8.5% initial, 3.5% ultimate in 2035 to 5.5% initial, 3.5% ultimate in 2034.

For fiscal year 2021, the municipal bond rate decreased from 2.75% to 2.00% and the single discount rate increased from 3.16% to 6.00%. The health care cost trend rate decreased from 10.50% initial, 3.50% ultimate in 2030 to 8.50% initial, 3.50% ultimate in 2035.

For fiscal year 2020, the municipal bond rate decreased from 3.71% to 2.75% and the single discount rate decreased from 3.96% to 3.16%. The health care cost trend rate also increased from 10.00% initial, 3.25% ultimate in 2029 to 10.50% initial, 3.50% ultimate in 2030.

For fiscal year 2019, the OPERS Board voted to lower the investment return assumption for its health care investment portfolio from 6.5% to 6.0%. Municipal bond rate increased from 3.31% to 3.71% and the single discount rate increased from 3.85% to 3.96%. The health care cost trend rate also increased from 7.50% initial, 3.25% unlimited in 2028 to 10.00% initial, 3.25% ultimate in 2029.

The following discussion provides a summary overview of the financial activities of the Community Partnership on Aging (the "Partnership") for the year ended December 31, 2021. The intent of this discussion and analysis is to look at the Partnership's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Partnership's financial performance.

Financial Highlights

Key financial highlights for 2021 are as follows:

- Net position of governmental activities increased by $374,221 from 2020. The Partnership has no business-type activities.

- The Assets and deferred outflows of resources of the Partnership exceeded its liabilities and deferred inflows of resources at December 31, 2021 by $68.

- Total assets decreased by $93,959 in 2021, which represents a decrease of 8.68% from 2020. Premium refund receivable, prepaid workers compensation, prepaid items, net postemployment benefits and capital assets experienced increases in 2021 of $335, $145, $14,405, $58,562 and $972, respectively, cash and cash equivalents, accounts receivable and accrued interest receivable experienced decreases of $147,470, $20,892 and $16, respectively.

- Total liabilities decreased by $719,769 in 2021, which represents a decrease of 51.56% from 2020. Current liabilities decreased $93,686 due, primarily, to a $36,465 decrease in accounts payable and a $57,639 decrease in unearned revenue. Long-term liabilities decreased $626,083 ,due to decreases in other noncurrent liability, net pensions liability and net postemployment benefits liability of $4,013, $170,812 and $451,258 respectively.

- The deferred outflows of resources decreased by $81,033 and the deferred inflows of resources increased by $170,556 from 2020. These accounts are related to GASB Statement No. 68 and GASB Statement No. 75 reporting.

- The fund balance of the General fund, the Partnership's operating fund, decreased by $49,344 from 2020. The decrease was primarily due to internal transfers to other funds. The purpose of the transfers was to cover fund balance deficits in other funds.

- The Community Partnership Foundation (the "Foundation") completed its sixth year of active service in 2021. The Foundation is a 501(C)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership. The Foundation received contributions of $1,790 in 2021

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Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Partnership's basic financial statements. The Partnership's financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements* -** The government-wide financial statements are designed to provide the reader with a broad overview of the Partnership's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Partnership's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Partnership is improving or deteriorating.

The *statement of activities* presents information showing how the Partnership's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected receivables and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Partnership that are principally supported by user fees and charges and the program expenses used to operate during the fiscal year.

The government-wide financial statements can be found on pages 68 and 69 of this report.

***Fund Financial Statements* -** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Partnership, like State and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Partnership are categorized as governmental funds.

Governmental funds – The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Partnership, including its blended component unit, Community Partnership Foundation, maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for which the General Fund, Special Accounts Fund, Cuyahoga County Division of Senior & Adult Services fund, Title IIIB & IIIC fund and Community Partnership Foundation fund are considered to be the major funds. The governmental fund financial statements can be found on pages 70 through 73 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 74 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Partnership's financial position. In the case of the Partnership, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $68, resulting in a positive net position at the close of the fiscal year. GASB Statement No. 68 and GASB Statement No. 75 related pension and postemployment benefit liabilities/assets were major factors in the Partnership's net position at year end.

Included in the Partnership's year-end net position are restricted funds of $65,348 and investments in capital assets of $16,188. Restricted funds are limited in use to only those programs/activities for which they have been earmarked. The Partnership uses the capital assets to provide services to senior adults; consequently, investments in capital assets are not available for future spending.

At the end of the current fiscal year, the Partnership reported a negative balance in the unrestricted portion of the net position in the governmental activities. The same situation held true for the prior fiscal year. The following table shows net position for the year 2021 compared to year 2020.

Table 1
Net Position

	2021	2020	Variance
Assets:			
Current Assets	$ 913,177	$ 1,066,670	$ (153,493)
Postemployment Benefits	58,562	0	58,562
Capital Assets, Net	16,188	15,216	972
Total Assets	987,927	1,081,886	(93,959)
Deferred Outflows of Resources			
Pensions	76,247	112,851	(36,604)
Postemployment Benefits	30,065	74,494	(44,429)
Total Deferred Outflows of Resources	106,312	187,345	(81,033)
Liabilities:			
Current Liabilities	116,506	210,192	(93,686)
Noncurrent Liabilities:			
Other	37,187	41,200	(4,013)
Pensions	522,568	693,380	(170,812)
Postemployment Benefits	0	451,258	(451,258)
Total Liabilities	676,261	1,396,030	(719,769)
Deferred Inflows of Resources			
Pensions	233,751	170,074	63,677
Postemployment Benefits	184,159	77,280	106,879
Total Deferred Inflows of Resources	417,910	247,354	170,556
Net Position:			
Investment in Capital Assets	16,188	15,216	972
Restricted for:			
Support Services	65,348	117,913	(52,565)
Unrestricted	(81,468)	(507,282)	425,814
Total Net Position	$ 68	$ (374,153)	$ 374,221

As noted above, the Partnership's net position increased by $374,221 in 2021. This increase is mainly due to a decrease in wages and benefits expense that resulted from a decrease in GASB 68 and GASB 75 pensions and postemployment benefits expense.

The net pensions liability is the largest liability reported by the Partnership at December 31, 2021, and it is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" . For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Partnership's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the postemployment benefits asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the Partnership's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Partnership is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Partnership's statements, prepared on an accrual basis of accounting, include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

The Partnership reported pension expense and OPEB expense of $2,628 and ($358,512), respectively, net pension liability and net OPEB liability of $522,568 and $0, respectively and a net OPEB asset of $58,562 at December 31, 2021.

Table 2 reflects the changes in net position in 2021 and 2020 for governmental activities.

Table 2
Changes in Net Position

		2021		2020		Variance
Program Revenues:						
Charges for Services	$	16,628	$	15,633	$	995
Operating Grants and Contributions		251,664		304,112		(52,448)
Total Program Revenues		268,292		319,745		(51,453)
General Revenues:						
Intergovernmental		655,895		708,379		(52,484)
Earnings on Investments		64		815		(751)
Miscellaneous		297		367		(70)
Total General Revenues		656,256		709,561		(53,305)
Total Revenues		924,548		1,029,306		(104,758)
Program Expenses:						
Wages and Benefits		257,533		722,379		(464,846)
Building Rent and Maintenance		7,596		7,596		-
Materials and Supplies		55,344		35,055		20,289
Utilities		9,744		10,103		(359)
Transportation		140,802		130,268		10,534
Technical Services		15,693		14,711		982
Liability services		12,889		12,280		609
Other		50,726		28,434		22,292
Total Program Expenses		550,327		960,826		(410,499)
Change in Net Position		374,221		68,480		305,741
Net Position, Beginning of Year		(374,153)		(442,633)		68,480
Net Position, End of Year	$	68	$	(374,153)	$	374,221

Governmental Activities

Program revenues of governmental activities represent 29.02% in 2021 and 31.06% in 2020 of total revenues. They consisted of monies received from clients, Western Reserve Area Agency on Aging, Cuyahoga County Division of Senior & Adult Services, and the Partnership's member municipalities for services performed as defined by the Partnership Board and the contractual agreements with these agencies.

General revenues of governmental activities represent 70.98% in 2021 and 68.94% in 2020 of total revenues. Of the Partnership's 2021 total general revenues, 99.94% relates to unrestricted local grants and entitlements. Investment income and miscellaneous revenues constitute less than one percent of the Partnership's general revenues during 2021.

Charges for services revenue increased by $995 in 2021, the increase was minimal due to COVID related temporary stoppages of homemaker services, client programming and social events. Operating grants and contributions revenue decreased by $52,448 in 2021 due to a reduction in grant funding received from private foundations. Intergovernmental revenue decreased by $52,484 in 2021 due to a decrease in the 2021 budget that reduced funding receive from COG member municipalities. And earnings on investments revenue decreased by $751 in 2021 due to a decrease in the certificate of deposit interest.

Expenses for governmental net position include program expenditures, which represent the overhead costs of running the Partnership and the support services provided for senior activities. These include the costs of internal services such as payroll and purchasing.

Wages and benefits expense decreased by $464,846 in 2021 due to a reduction in GASB Statement No. 68 and GASB Statement No. 75 related pension and postemployment benefit expenses. 2021 Materials and supplies, transportation, liability services and other expense increased by $20,289, $10,534, $609 and $22,292, respectively, due to increased activity and the additional expense involved with providing services while addressing COVID related challenges. And technical services expense increased by $982 in 2021 due to a continued emphasis on improving organization wide virtual communications.

The first column of the Statement of Activities on page 69 indicates that the major program expenses for governmental activities are for wages and benefits and transportation, which account for 46.80% and 25.59%, respectively, of all governmental expenses in 2021. The next two columns of the Statement entitled Program Revenues identify amounts paid by people who are directly charged for the service and grants and/or contributions received by the Partnership that must be used to provide a specific service. The Net Revenues (Expenses) column compares the program revenues to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from unrestricted funds within the Partnership. These net costs are paid from the general revenues which are presented at the bottom of the Statement.

The Statement of Revenues, Expenditures and Changes in Fund Balances on page 72 identifies the activities within each of the individual governmental funds, notable 2021 governmental fund financial highlights are as follows:

General Fund
Intergovernmental revenue decreased $52,484 in 2021 due to a decrease in the 2021 budget that impacted funding received from member cities. Charges for services decreased $5,530 in 2021 due to COVID related temporary stoppages of homemaker services and the Lunch and a Movie program. And contributions and donations decreased $44,711 in 2021 due to a reduction in grant funding received from private foundations.

Wages and benefits expense increased $51,367 in 2021 due to a 2% employee pay rate increase, a 5.33% increase in employee health insurance premiums, adding a new staff member and increasing certain employees' hours, to meet increasing demands, and enrollment of 2 newly eligible employees into the employee health insurance plan. Materials and supplies increased $15,446 in 2021 due to increased activity and the additional expense involved with providing services while addressing COVID related challenges. And technical services expense increased $10,444 in 2021 due to a continued emphasis on improving organization wide virtual communications.

Special Fund
Charges for services increased $3,325 in 2021 due to an increase in price and activity of the café lunch/lunch box programs. 2021 also presented a renewed opportunity to place an increased emphasis on fundraising and donor focused programs, which resulted in a $7,713 increase in contributions and donations revenue. A low certificate of deposit interest rate resulted in a $584 decrease in earnings on investments revenue in 2021. Materials and supplies increased $990 in 2021, as a result of the increased fundraiser/donor focused program activity, and other expenses increased by $4,879 as a result of increases in exercise instructor and safe at home expenses.

Cuyahoga County Division of Senior & Adult Services Fund
Intergovernmental revenue increased $2,073 in 2021 due to an increase in adult development program activity. Total expenditures increased $18,675 in 2021, while all categories of expense increased, transportation expense increased due to a one-way trip rate increase imposed by our transportation provider.

Title IIIB & IIIC Fund
Western Reserve Area Agency on Aging increased funding for supportive services and congregate meals in 2021, in turn, intergovernmental revenue increased $34,795 in 2021. Contributions and donations, on the other hand, decreased by $1,470 in 2021 due to a decrease in congregate meal related client donations. Materials and supplies, transportation, technical services and other expenses increased by $1,014, $4,530, $271 and $5,458, respectively, in 2021, while wages and benefits, utilities and liability services expenses decreased by $21,541, $116 and $1,008, respectively, in 2021.

Community Partnership Foundation
Contributions and donations revenue decreased by $6,228 in 2021, due mainly to a non-repeated grant received in 2020. Wages and benefits expense increased $7,500 in 2021 as a result of utilizing grant monies received in 2020 for CARE program coordinator salary.

Other Governmental Funds
The CARE program fund was the only other governmental fund in 2021.

The CARE program fund experienced a $41,420 decrease in total revenue in 2021, the net decrease in revenue was due to a $44,620 decrease in contributions and donations, caused mainly by a decrease in grant monies received, and a $3,200 increase in charges for services that resulted from an increase in client paid memberships. Wages and Benefits increased $8,783 in 2021 due to an increase in the CARE coordinator’s wages, benefits and scheduled work hours, in turn, technical services expense decreased by $10,275 in 2021 because the CARE coordinator, with the increase in hours, was able to take over the responsibilities of the grant research/grant writing firm used to help locate and attain funding for the CARE program in prior years.

Capital Assets

At the end of 2021, the Partnership had $16,188 invested in appliances, furniture, fixtures and equipment. Table 3 shows 2021 balances of capital assets as compared to 2020.

Table 3 – Capital Assets at December 31 (Net of Depreciation)

	Governmental Activities	
	2021	2020
Appliances	$ 9,633	$ 5,746
Furniture, Fixtures and Equipment	51,310	56,101
Accumulated Depreciation	(44,755)	(46,631)
Total capital assets, net	$ 16,188	$ 15,216

Capital assets increased by $972 in 2021. The increase was mainly due to the purchase of new refrigerator freezer for the South Euclid facility. See Note 8 for further discussion on capital assets.

Long-Term Obligations

At December 31, 2021, the Partnership had $37,187 in compensated absences liability, which is considered a long-term obligation, and $522,568 in net pension liability. 2021 compensated absences decreased by $4,013 from the 2020 compensated absences liability balance of $41,200 and 2021 pension liability decreased by $170,812 from the 2020 pension liability balance of $693,380. See Note 6 for further discussion on compensated absences, Note 7 for detailed information regarding long-term obligations, and Note 9 for further discussion on the net pension liability.

Current Issues Affecting Financial Condition

2021 was another challenging year for Community Partnership on Aging. The COVID pandemic, with its limitations and restrictions, continued to make it difficult to address the needs of our seniors as we had done prior to the pandemic. We continued to address the social and physical needs of our seniors in ways compliant with the governing mandates and guidelines as they unfolded and refolded and unfolded again. The increased need for meal distribution that took place in 2020 continued to be a priority in 2021. As opportunities became available, we did reinitiate the indoor congregate meal program, however, frozen meals also continued to be distributed for home use, in all, 36,031 meals were provided through congregate/community meal and café services in 2021. In addition to the meals provided in 2021, there were also 6,087 one-way rides provided through transportation services; social workers engaged in 702 hours of supportive service related home, office and telephone consultations; agency social, educational and health related programs/activities received 4,863 episodes of participation; an average of 172 individuals/households received multiple totes of produce/fresh food every month; 743 40-pound boxes of nonperishable foods were distributed and 32 households received necessary durable medical equipment or safety updates through the Safe At Home program.

While 2022 could quite possibly be another challenging year, our outlook for 2022 remains very positive. As always, our member communities of Lyndhurst, Highland Heights, Mayfield Heights, Mayfield Village, Richmond Heights and South Euclid remain dedicated to the older adults who reside in their cities. We feel confident that the funding we receive from our member communities, the Cuyahoga County Health and Human Service Levy, Western Reserve Area Agency on Aging, along with other various grants and donations received through other agencies, foundations and individuals will prove to be adequate to meet the needs of 2022.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Partnership's finances for all interested parties. Questions and requests for additional information regarding this report should be addressed to the Chief Financial Officer, Community Partnership on Aging, 1370 Victory Drive, South Euclid, Ohio 44121.

Community Partnership on Aging
Statement of Net Position
December 31, 2021

Assets:	
Equity in Pooled Cash and Cash Equivalents	$ 851,931
Accounts Receivable	35,715
Premium Refund Receivable	335
Prepaid Workers' Compensation	145
Prepaid Items	25,051
Net Postemployment Benefits Asset (See Note 10)	58,562
Depreciable Capital Assets, Net	16,188
Total Assets	987,927
Deferred Outflows of Resources:	
Pension	76,247
Postemployment Benefits	30,065
Total Deferred Outflows of Resources	106,312
Liabilities:	
Accounts Payable	28,292
Accrued Payables	115
Accrued Wages	11,236
Unearned Revenue	76,863
Long-Term Liabilities:	
Due Within One Year	37,187
Due In More Than One Year:	
Net Pension Liability (See Note 9)	522,568
Total Liabilities	676,261
Deferred Inflows of Resources:	
Pension	233,751
Postemployment Benefits	184,159
Total Deferred Inflows of Resources	417,910
Net Position:	
Investment In Capital Assets	16,188
Restricted For:	
Support Services	65,348
Unrestricted (Deficit)	(81,468)
Total Net Position	$ 68

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

Community Partnership on Aging

Statement of Activities

For the Year Ended December 31, 2021

		Program Revenues		Net Revenue (Expense) and Changes in Net Position
				Primary Government
	Expenses	Charges For Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
Wages and Benefits	$ 257,533	$ 3,530	$ 112,312	$ (141,691)
Building Rent and Maintenance	7,596	-	-	(7,596)
Materials and Supplies	55,344	9,121	29,158	(17,065)
Utilities	9,744	446	1,978	(7,320)
Transportation	140,802	-	19,768	(121,034)
Technical Services	15,693	101	10,891	(4,701)
Liability Services	12,889	-	-	(12,889)
Other	50,726	3,430	77,557	30,261
Total Program Expenses	$ 550,327	$ 16,628	$ 251,664	(282,035)

General Revenues	
Intergovernmental	655,895
Earnings on Investments	64
Miscellaneous	297
Total General Revenues	656,256
Change in Net Position	374,221
Net Position Beginning of Year	(374,153)
Net Position End of Year	$ 68

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

Community Partnership on Aging

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Funds	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	$ 624,663	$ 203,866	$ -	$ -	$ 16,010	$ 7,392	$ 851,931
Accounts Receivable	21,772	-	2,227	11,716	-	-	35,715
Premium Refund Receivable	335	-	-	-	-	-	335
Prepaid Workers' Compensation	145	-	-	-	-	-	145
Prepaid Items	23,357	-	229	392	-	1,073	25,051
Total Assets	$ 670,272	$ 203,866	$ 2,456	$ 12,108	$ 16,010	$ 8,465	$ 913,177
Liabilities							
Accounts Payable	$ 17,061	$ 1,143	$ 8,378	$ 960	$ -	$ 750	$ 28,292
Accrued Payables	85	-	-	15	-	15	115
Accrued Wages	9,089	-	361	1,045	-	741	11,236
Unearned Revenue	76,863	-	-	-	-	-	76,863
Total Liabilities	103,098	1,143	8,739	2,020	-	1,506	116,506
Fund Balances							
Nonspendable	23,502	-	229	392	-	1,073	25,196
Restricted	25,544	24,222	-	9,696	-	5,886	65,348
Committed	-	178,501	-	-	16,010	-	194,511
Unassigned	518,128	-	(6,512)	-	-	-	511,616
Total Fund Balances (Deficits)	567,174	202,723	(6,283)	10,088	16,010	6,959	796,671
Total Liabilities & Fund Balances	$ 670,272	$ 203,866	$ 2,456	$ 12,108	$ 16,010	$ 8,465	$ 913,177

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

Community Partnership on Aging

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2021

Total Governmental Funds Balances	$	796,671
Amounts reported for governmental activities in the statement of net position are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds		16,188
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds		(37,187)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows/inflows are not reported in the funds:		
Deferred Outflows - Pension		76,247
Deferred Inflows - Pension		(233,751)
Net Pension Liability		(522,568)
The postemployment benefits liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in Government Funds:		
Deferred Outflows - Postemployment Benefits		30,065
Deferred Inflows - Postemployment Benefits		(184,159)
Net Postemployment Benefits		58,562
Net Position of Governmental Activities	$	68

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

Community Partnership on Aging

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Special Accounts Fund	Cuyahoga County Division of Senior & Adult Services Fund	Title IIIB & IIIC Fund	Community Partnership Foundation	Other Governmental Funds	Total Governmental Funds
Revenues							
Intergovernmental	$ 695,895	$ -	$ 28,046	$ 127,481	$ -	$ -	$ 851,422
Charges For Services	-	12,228	-	-	-	4,400	16,628
Earnings on Investments	28	36	-	-	-	-	64
Contributions and Donations	17,319	19,392	-	7,201	1,790	10,435	56,137
Other	297	-	-	-	-	-	297
Total Revenue	713,539	31,656	28,046	134,682	1,790	14,835	924,548
Expenditures							
Current:							
Wages and Benefits	478,734	-	48,378	115,009	7,500	40,968	690,589
Building Rent and Maintenance	-	-	-	7,596	-	-	7,596
Materials and Supplies	36,436	8,094	2,944	6,867	-	1,003	55,344
Utilities	4,592	-	990	2,658	-	1,504	9,744
Transportation	19,518	-	90,656	30,628	-	-	140,802
Technical Services	12,905	-	888	1,558	-	342	15,693
Liability Services	6,234	-	2,416	4,239	-	-	12,889
Other	21,271	9,898	6,080	14,364	-	85	51,698
Total Expenditures	579,690	17,992	152,352	182,919	7,500	43,902	984,355
Excess of Revenues Over (Under) Expenses	133,849	13,664	(124,306)	(48,237)	(5,710)	(29,067)	(59,807)
Other Financial Sources (Uses)							
Transfers In	-	-	123,326	59,867	-	-	183,193
Transfers Out	(183,193)	-	-	-	-	-	(183,193)
Total Other Financial Sources (Uses)	(183,193)	-	123,326	59,867	-	-	-
Net Change in Fund Balances	(49,344)	13,664	(980)	11,630	(5,710)	(29,067)	(59,807)
Fund Balances (Deficits) Beginning of Year	616,518	189,059	(5,303)	(1,542)	21,720	36,026	856,478
Fund Balances (Deficits) End of Year	$ 567,174	$ 202,723	$ (6,283)	$ 10,088	$ 16,010	$ 6,959	$ 796,671

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

Community Partnership on Aging

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Net Change in Fund Balances - Total Government Funds	$ (59,807)
Amounts reported for governmental activities in the Statement of Activities are different because:	
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 as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period.	972
Some expenses reported in the statement of activities do not require the use of current fiscal resources and therefore are not reported as expenditures in Governmental Funds.	
Compensated Absences	4,013
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Deferred Outflows - Pension	73,159
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net postemployment benefit liability are reported as pension expense/postemployment benefit expense in the statement of activities.	
Pension Expense	(2,628)
Postemployment Benefit Reduction of Expense	358,512
Change in Net Position of Governmental Activities	$ 374,221

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

Note 1: Reporting Entity

The Community Partnership on Aging, Cuyahoga County, (the "Partnership"), is a Council of Governments. The Partnership consists of six member communities: Mayfield Village and the cities of Highland Heights, Lyndhurst, Mayfield Heights, Richmond Heights and South Euclid.

The mayors of each of these six communities comprise the Partnership's Board of Directors. The Partnership's function is to help older persons maintain independence and dignity in a home environment, remove barriers to independence for older persons, and provide a continuum for the vulnerable elderly.

The Community Partnership Foundation, (the "Foundation"), is a 501(c)(3), type I supporting organization under section 509(a)(3). The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership.

The Foundation's bylaws and articles of incorporation identify the Partnership as the sole member of the Foundation and, therefore, the Foundation is considered to be a component unit of the Partnership. Based on this relationship, GASB Statement No. 80 requires the Partnership and the Foundation to present blended financial statements wherein the two organizations combine their financial information.

Financial Information for the Foundation can be obtained by submitting a request to the Financial Administrator, Community Partnership Foundation, 1370 Victory Drive, South Euclid, Ohio 44121.

The Partnership's management believes these financial statements present all activities for which the Partnership is financially accountable.

Note 2: Summary of Significant Accounting Policies

The financial statements of the Partnership have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the Partnership's accounting policies are described below.

A. Basis of Presentation

The Partnership's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Partnership as a whole. These statements include the financial activities of the primary government.

Note 2: Summary of Significant Accounting Policies (continued)

A. Basis of Presentation (continued)

The statement of net position presents the financial condition of the governmental activities of the Partnership at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Partnership's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues not classified as program revenues are presented as general revenues of the Partnership, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Partnership.

Fund Financial Statements

During the year, the Partnership segregates transactions related to certain Partnership functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Partnership at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

The Partnership uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Partnership classifies its funds as governmental.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the Partnership's major governmental funds:

> *General Fund* – The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the Partnership for any purpose provided it is expended or transferred according to the general laws of Ohio.
>
> *Special Accounts Fund* – The special accounts fund includes money received from donations, special program income, and funds derived from fundraisers to benefit senior adults.

Note 2: Summary of Significant Accounting Policies (continued)

B. Fund Accounting (continued)

Cuyahoga County Division of Senior & Adult Services Fund – This fund accounts for social services that are intended to strengthen and maintain the well-being of seniors and at-risk adults. Grant services include adult development programs and transportation.

Title IIIB/IIIC Fund – This fund accounts for social services which inform the local population of available services and/or assist potential participants in accessing services. Grant services include congregate meals, supportive services, and transportation.

Community Partnership Foundation – This fund accounts for the financial activities of the Community Partnership Foundation. The sole mission of the Foundation is to enhance and expand the service capabilities of the Partnership and their future financial activities will reflect this purpose. As required by GASB 80, this fund is blended with the primary government.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Partnership are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Available period for the Partnership is sixty days after year-end.

Non-exchange transactions, in which the Partnership receives value without directly giving equal value in return, include grants, contributions and donations.

Revenue from grants, contributions and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Partnership must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Partnership on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: contributions and donations, earnings on investments, grants and charges for services.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report financial position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Partnership, deferred outflows of resources include a deferred charge for future pension and other postemployment benefit (OPEB) obligations. The deferred outflows of resources related to pensions and OPEB plans are further explained in Note 9 and Note 10, respectively.

Note 2: Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

In addition to liabilities, the financial statements that report financial position may include a section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Partnership, deferred inflows of resources include amounts for pension and OPEB. The deferred inflows of resources related to pensions and OPEB are further explained in Note 9 and Note 10, respectively.

E. Cash and Cash Equivalents

Cash received by the Partnership is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Partnership's records.

During fiscal year 2021, the Partnership's investments were limited to non-negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

For presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the Partnership are considered to be cash equivalents. Instruments with an initial maturity of more than three months are reported as investments.

F. Budgetary Process

The Partnership is not bound by the budgetary laws prescribed by the Ohio Revised Code. The Board passes an annual budget prior to the beginning of the fiscal year.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

H. Capital Assets and Depreciation

All capital assets are recorded at historical cost and updated for additions and retirements during the year. The Partnership maintains a capitalization threshold of $100. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Appliances	10 years
Furniture, Fixtures and Equipment	8 – 20 years

Note 2: Summary of Significant Accounting Policies (continued)

I. Compensated Absences

The Partnership reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits were accrued as a liability using the vesting method. The liability included the employees who were eligible to receive termination benefits and those that the Partnership had identified as probable of receiving payment in the future. The amount was based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the Partnership's termination policy. The last person who was eligible to receive sick leave termination benefits retired in November 2021, as a result, there will no longer be a liability reported for sick leave benefits.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are reported as "Long-Term Liabilities: Due Within One Year". There was no noncurrent portion of the liability to report at December 31, 2021.

J. Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

K. Net Position

Net position represents the difference between all other elements in a statement of financial position. Investment in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Partnership or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Partnership applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Partnership and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2021.

Note 2: Summary of Significant Accounting Policies (continued)

M. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

N. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Partnership must observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Partnership's Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the Partnership for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Partnership Board or a Partnership official delegated that authority by resolution, or by State statute.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Partnership applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 2: Summary of Significant Accounting Policies (continued)

O. Pensions / Other Postemployment (OPEB) Liabilities (Asset)

For purposes of measuring net pension/OPEB liability, deferred outflow of resources and deferred inflow of resources related to pension/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the state pension/OPEB systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB systems report investments at fair value. Additional details on the pension/OPEB systems are provided in Note 9 and Note 10, respectively.

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Note 3: Changes in Accounting Principles

A. Newly Adopted Accounting Pronouncements

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued in March 2020 to address accounting and financial reporting implications that result from global reference rate reform. The removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The implementation of this GASB pronouncement did not result in any changes to the Partnership's financial statements.

B. Newly Issued Accounting Pronouncements, Not Yet Adopted

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 91, *Conduit Debt Obligations,* was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate

Note 3: Changes in Accounting Principles (continued)

B. Newly Issued Accounting Pronouncements, Not Yet Adopted (continued)

diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after December 15, 2021. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

GASB Statement No. 92, *Omnibus 2020*, was issued in January 2020. This statement addresses a variety of topics with objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB subsequently issued GASB Statement No. 95, which deferred the effective date of this standard to reporting periods beginning after June 15, 2021. The Partnership has not yet determined the impact that this GASB pronouncement will have on its financial statements and disclosures.

Note 4: Deposits and Investments

The Partnership follows State statute and classifies held monies into three categories.

Active deposits are amounts necessary to meet current cash needs. Such monies are maintained either in commercial accounts payable or withdrawable on demand accounts, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are monies identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest therein.
2. Bonds, notes, debentures or other obligations or securities issued by any federal government agency.
3. Deposits with financial institutions and savings and loan associations, collateralized, as required by law.
4. State Treasurer’s investment pool (STAR Ohio).
5. Bonds and other obligations of the State of Ohio.
6. Repurchase agreements fully collateralized with securities listed in 1 and 2 above.

Note 4: Deposits and Investments (continued)

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Partnership will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2021, $220,708 of the Partnership's total bank balance of $859,578 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. One of the Partnership's financial institutions negotiated a reduced collateral floor of 60 percent with the Ohio Pooled Collateral System (OPCS) resulting in the uninsured and uncollateralized balance.

The Partnership has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

1) Eligible securities pledged to the Partnership and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

2) Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Note 5: Receivables

Accounts receivable included on the statement of net position at December 31, 2021 consists primarily of fees receivable and miscellaneous service receivables due from grantors, clients and member municipalities. Management considers all receivables fully collectible.

Note 6: Compensated Absences

Accumulated unpaid vacation is accrued when earned and is to be used within the subsequent calendar year. In accordance with the Partnership vacation leave policy, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be due within one year.

Partnership employees are paid for any unused vacation, earned and accrued for from the prior year, plus one-twelfth of their current year's anticipated annual vacation for every month worked up to the time of termination.

Sick leave is earned for full and regular part-time employees at the rate of 3.75 hours for each completed 75 hours of normal service. Upon retirement or death, employees hired before October 1, 2007 with ten or more active years of service are to be paid one-fourth of their accumulated sick leave, not to exceed 960 hours. Sick leave in excess of the 960 hour maximum is not paid upon retirement or death. There is no sick leave lump-sum pay-out benefit available to those employees hired after October 1, 2007.

Note 7: Long-Term Obligations

The changes in the Partnership's long-term obligations during 2021 were as follows:

	Principal Outstanding 12/31/2020	Additions	Deductions	Principal Outstanding 12/31/2021	Amounts Due in One Year
Governmental Activities:					
Compensated Absences	$ 41,200	$ 37,187	$ 41,200	$ 37,187	$ 37,187
Net Pension Liability:					
OPERS	693,380	-	170,812	522,568	-
Total Governmental Activities	$ 734,580	$ 37,187	$ 212,012	$ 559,755	$ 37,187

The Partnership pays obligations related to employee compensation from the fund benefiting from their service.

Note 8: Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Capital Assets Being Depreciated				
Appliances	$ 5,746	$ 3,887	$ -	$ 9,633
Furniture, Fixtures and Equipment	56,101	256	5,047	51,310
Total Capital Assets Being Depreciated	61,847	4,143	5,047	60,943
Less Accumulated Depreciation and Amortization For:				
Appliances	(5,746)	(227)	-	(5,973)
Furniture, Fixtures and Equipment	(40,885)	(2,944)	(5,047)	(38,782)
Total Accumulated Depreciation and Amortization	(46,631)	(3,171)	(5,047)	(44,755)
Total Capital Assets, Net	$ 15,216	$ 972	$ -	$ 16,188

Depreciation expense was fully charged to the other function.

Note 9: Defined Benefit Pension Plans

A. Net Pension/Other Postemployment Benefits (OPEB) Liability/Asset

The net pension/OPEB liability/asset reported on the Statement of Net Position represents a liability/asset to employees for pensions/OPEB. Pensions/OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions/OPEB are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer

Note 9: Defined Benefit Pension Plans (continued)

A. Net Pension/Other Postemployment Benefits (OPEB) Liability (continued)

for employee services each financial period. The obligation to sacrifice resources for pensions/OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

Ohio Revised Code limits the Partnership's obligation for this liability to annually required payments. The Partnership cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Partnership does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68 and 75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for OPEB benefits including primarily health care. In most cases, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

State statute requires the retirement systems to amortize unfunded pension/OPEB liabilities within 30 years. If the pension/OPEB amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required contribution outstanding at the end of the year is included as an accrued liability. The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Partnership employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer public employee retirement system comprised of three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit plan; the combined plan, a combination cost-sharing, multiple-employer defined benefit/defined contribution plan; and the member-directed plan, a defined contribution plan. While members (e.g., Partnership employees) may elect the combined plan or member-directed plan, all Partnership employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional plan.

Note 9: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

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

FAS represents the average of the three highest years of earnings over the member's career for Groups A and B. Group C is based on the average of the five highest years of earning over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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

Note 9: Defined Benefit Pension Plans (continued)

B. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the OPERS Board. Both member-directed plan and combined plan members who have met the eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year.

At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of their benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance (net of taxes withheld), or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the combined plan will be consolidated under the traditional pension plan (defined benefit plan) and the combined plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10% of covered payroll for members in the state and local classifications.

The portion of employer contributions used to fund pension benefits is net of postemployment health care benefits. The portion of the employer's contribution allocated to health care was 0% for 2021 for the traditional plan. The portion of the employer's contribution allocated to health care was 4% for the member-directed plan for 2021. Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Partnership's contractually required contribution for the traditional plan, net of postemployment health care benefits, for 2021 was $73,159. For the 2021 amounts, $1,354 is reported as accrued wages and benefits and $5,804 is reported as accounts payable at December 31, 2021.

C. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

Note 9: Defined Benefit Pension Plans (continued)

C. Actuarial Assumptions – OPERS (continued)

employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in valuation of total pension liability - 2020

	OPERS Traditional Plan
Valuation date	December 31, 2020
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age
Actuarial assumptions:	
Investment rate of return	7.20%
Wage inflation	3.25%
Projected salary increases, including 3.25% wage inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 retirees	3.00% Simple
Post-Jan 7, 2013 retirees	0.50% Simple through 2021 then 2.15% Simple

In October 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% to 0.50% simple through 2021 then 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Note 9: Defined Benefit Pension Plans (continued)

C. Actuarial Assumptions – OPERS (continued)

OPERS conducts an experience study every five years in accordance with Ohio Revised Code Section 145.22. The study for the five-year period ended December 31, 2015 and methods and assumptions were approved and adopted by the OPERS Board of Trustees.

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

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	2020 Target Allocation	2020 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.0%	1.32%
Domestic equities	21.0%	5.64%
Real estate investment trusts	10.0%	5.39%
Private equity	12.0%	10.42%
International equities	23.0%	7.36%
Other investments	9.0%	4.75%
Total	100.0%	5.43%

Discount Rate The discount rate used to measure the total pension liability for measurement year 2020 was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 9: Defined Benefit Pension Plans (continued)

C. Actuarial Assumptions – OPERS (continued)

Sensitivity of the Partnership's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Partnership's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2%, as well as what the Partnership's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2%) or one-percentage-point higher (8.2%) than the current rate:

Partnership's proportionate share of net pension liability at December 31, 2021:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Partnership's proportionate share of the net pension liability – traditional	$ 996,801	$ 522,568	$ 128,244

Changes between Measurement Date and Report Date During 2021, the OPERS Board lowered the investment rate of return from 7.2 percent to 6.9 percent along with certain other changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

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

The net pension liability for OPERS as of December 31, 2021, was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Partnership's proportion of the net pension liability was based on the Partnership's share of contributions to the pension plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. The following table reflects the proportionate share of pension expense for the current and prior years for all plans and thus the Partnership, in total. The related deferred outflows and deferred inflows of resources associated with the pension liability are presented below.

2021 net pension liability:

	OPERS Traditional
Proportion of the net pension liability/asset prior measurement date	0.003508%
Proportion of the net pension liability/asset current measurement date	0.003529%
Change in proportionate share	0.000021%
Proportionate share of the net pension liability	$ 522,568
Pension expense	$ 2,628

Note 9: Defined Benefit Pension Plans (continued)

D. Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31, 2021, the Partnership reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		OPERS Traditional
Deferred outflow of resources		
Differences in employer contributions and change in proportionate share	$	3,088
Contributions subsequent to the measurement date		73,159
Total deferred outflow of resources	$	76,247
Deferred inflow of resources		
Differences in employer contributions and change in proportionate share	$	8,211
Differences between projected and actual earnings on pension plan investments		203,682
Difference between expected and actual experience		21,858
Total deferred inflow of resources	$	233,751

The $73,159 reported as deferred outflows of resources related to pension resulting from the Partnership's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		OPERS Traditional
Fiscal year ending December 31:		
2022	$	(92,146)
2023		(27,711)
2024		(83,028)
2025		(27,778)
	$	(230,663)

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions

A. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

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

Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The heath care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses. These changes are reflected in the December 31, 2020, measurement date health care valuation.

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

A. Plan Description – Ohio Public Employees Retirement System (OPERS) (continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021 and 2020, state and local employers contributed at a rate of 14% of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the traditional plan and combined plan was 0% for 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4% during 2021. The Partnership does not have any employees enrolled in the member-directed plan.

The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Partnership's contractually required contributions to OPERS health care plans was $-0- for 2021.

B. Actuarial Assumptions – OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Key methods and assumptions used in valuation of total OPEB liability - 2021

	Assumptions
Valuation date	December 31, 2019
Rolled-forward measurement date	December 31, 2020
Experience study	5-year period ended December 31, 2015
Actuarial cost method	Individual entry age normal
Projected salary increases, including 3.25% wage inflation	3.25 to 10.75%
Projected payroll/active member increase	3.25% per year
Investment rate of return	6.00%
Municipal bond rate	2.00%
Single discount rate of return	6.00%
Health care cost trend	Initial 8.5% to 3.5% ultimate in 2035

Pre-retirement mortality rates are based on the RP-2014 Employees Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively.

Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled Mortality Table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 Mortality Improvement Scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by OPERS investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2020, these best estimates are summarized in the following table:

Asset Class	2020 Target Allocation	2020 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	34.0%	1.07%
Domestic equities	25.0%	5.64%
Real estate investment trusts	7.0%	6.48%
International equities	25.0%	7.36%
Other investments	9.0%	4.02%
Total	100.0%	4.43%

Discount rate A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00% (Fidelity Index's "20-Year Municipal GO AA Index") for the measurement date of December 31, 2020. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

B. Actuarial Assumptions – OPERS (continued)

Sensitivity of the Partnership's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate The following table presents the Partnership's proportionate share of the net OPEB liability (asset) calculated using the single discount rate, and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate.

Partnership's proportionate share of net OPEB liability (asset) at December 31, 2021:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Partnership's proportionate share of the net OPEB liability (asset)	$ (14,561)	$ (58,562)	$ (94,731)

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.5%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries' project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.5% in the most recent valuation.

As of December 31, 2021

	1% Decrease	Health Care Cost Current Discount Rate	1% Increase
Partnership's proportionate share of the net OPEB liability (asset)	$ (59,988)	$ (58,562)	$ (56,964)

Assumption Changes Since the Prior Measurement Date Municipal bond rate changed from 2.75% to 2.00% and the single discount rate changed from 3.16% to 6.00%. The health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

Changes between Measurement Date and Reporting Date During 2021, the OPERS Board made various changes to assumptions for the actuarial valuation as of December 31, 2021. The effects of these changes are unknown.

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

C. OPEB Asset, Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS

The net OPEB asset for OPERS as of December 31, 2021 was measured as of December 31, 2020. The total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31 of the year prior and rolled forward to the measurement date by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Partnership's proportion of the net OPEB liability (asset) was based on the Partnership's share of contributions to the OPEB plan relative to the contributions of all participating entities. Subsequent payments made during the current fiscal year are accounted for as deferred outflows. The following table reflects the proportionate share of OPEB expense for the current and prior years. The related deferred outflows and deferred inflows of resources associated with the OPEB liability (asset) are presented below.

2021 net OPEB liability (asset):

		OPERS
Proportion of the net OPEB liability prior measurement date		0.003267%
Proportion of the net OPEB liability current measurement date		0.003287%
Change in proportionate share		0.000020%
Proportionate share of the net OPEB liability (asset)	$	(58,562)
OPEB expense	$	(358,512)

At December 31, 2021, the Partnership reported deferred outflow and inflow of resources related to OPEB liability from OPERS OPEB plan, based on December 31, 2020 measurement, as indicated in the table below:

		OPERS
Deferred outflow of resources		
Change in assumptions	$	28,789
Differences in employer contributions and change in proportionate share		1,276
Total deferred outflow of resources	$	30,065
Deferred inflow of resources		
Differences in employer contributions and change in proportionate share	$	5,232
Change in assumptions		94,886
Difference between projected and actual earnings on OPEB plan investments		31,190
Difference between expected and actual experience		52,851
Total deferred inflow of resources	$	184,159

Note 10: Defined Benefit, Postemployment Benefits Other Than Pensions (continued)

C. OPEB Asset, Deferred Outflows, Deferred Inflows and OPEB Expense – OPERS (continued)

The Partnership reported $0 as deferred outflows of resources related to OPEB resulting from the Partnership's contributions subsequent to the measurement date, therefore all amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

		Total
Fiscal year ending December 31:		
2022	$	(82,804)
2023		(54,061)
2024		(13,554)
2025		(3,675)
	$	(154,094)

Note 11: Risk Management

Commercial Insurance

The Partnership has obtained commercial insurance for the following risks:
- Comprehensive property and general liability;
- Abuse act liability;
- Employment practices liability;
- Professional liability;
- Cyber liability,
- Stop gap liability; and
- Non-profit directors and officers coverage.

Settlements have not exceeded commercial insurance coverages in any of the past three fiscal years.

The Partnership also offers health insurance to employees who work at least 25 hours a week. The Partnership pays 85% of employee and 50% of employee dependent health insurance premiums.

Note 12: Related Party Transactions

Two Partnership Council members were also Board members of the Senior Transportation Connection, from which the Partnership acquired senior transportation services during 2021. The Partnership paid $140,318 for these services in 2021.

Note 13: Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balances are presented below:

Fund Balances	General	Special Accounts	Cuyahoga County Division of Senior & Adult Services	Title IIIB & IIIC	Community Partnership Foundation	Other Governmental	Total Governmental
Nonspendable for:							
Prepaids	$ 23,502	$ -	$ 229	$ 392	$ -	$ 1,073	$ 25,196
Total nonspendable	23,502	-	229	392	-	1,073	25,196
Restricted for:							
Senior support services	25,544	24,222	-	9,696	-	5,886	65,348
Total restricted	25,544	24,222	-	9,696	-	5,886	65,348
Committed to:							
Senior support services	-	178,501	-	-	16,010	-	194,511
Total committed	-	178,501	-	-	16,010	-	194,511
Unassigned (deficit)	518,128	-	(6,512)	-	-	-	511,616
Total Fund Balance	$ 567,174	$ 202,723	$ (6,283)	$ 10,088	$ 16,010	$ 6,959	$ 796,671

Note 14: Interfund Activity

Interfund activity for the year ended December 31, 2021, consists of the following:

Transfers from:	Amount	Transfers to:	Amount
General Fund	$ 183,193	Cuyahoga County Division of Senior & Adult Services Fund	$ 123,326
		Title IIIB & IIIC Fund	59,867
Total Transfers out	$ 183,193	Total Transfers in	$ 183,193

The transfers from the General Fund to the Cuyahoga County Division of Senior & Adult Services and Title IIIB & IIIC Funds were made to provide resources for current operations.

Note 15: COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Partnership. The impact on the Partnership's future operating costs and revenues cannot be estimated.

Note 15: COVID-19 (continued)

During 2021, the Partnership received $40,000 in CARES Act funding. Of the $40,000 amount received, the entire $40,000 was spent by December 31, 2021.

Community Partnership on Aging

Required Supplementary Information
Schedule of the Partnership's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System – Traditional Plan
Last Eight Years

	2021	2020	2019	2018	2017	2016	2015	2014
Partnership's Portion of the Net Pension Liability	0.0035290%	0.0035080%	0.0036830%	0.0035770%	0.0036360%	0.0034820%	0.0033950%	0.0033950%
Partnerships Proportionate Share of the Net Pension Liability	$ 522,568	$ 693,380	$ 1,008,699	$ 561,162	$ 825,674	$ 603,126	$ 409,474	$ 400,226
Partnership's Covered Payroll	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043
Partnership's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	104.42%	139.97%	202.01%	118.71%	181.40%	138.70%	97.79%	93.28%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available

Amounts presented as of the Partnership's measurement date which is the prior fiscal year end.

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of Partnership's Pension Contributions
Ohio Public Employees Retirement System – Traditional Plan
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ 73,159	$ 70,063	$ 69,354	$ 69,907	$ 61,451	$ 54,619	$ 52,180	$ 50,245	$ 55,776	$ 41,771
Contribution in Relation to the Contractually Required Contributions	(73,159)	(70,063)	(69,354)	(69,907)	(61,451)	(54,619)	(52,180)	(50,245)	(55,776)	(41,771)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered Payroll	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043	$ 417,707
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%	10.00%

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of the Partnership's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System
Last Five Years

	2021	2020	2019	2018	2017
Partnership's Portion of the Net OPEB Liability/Asset	0.0032870%	0.0032670%	0.0034300%	0.0033400%	0.0034011%
Partnerships Proportionate Share of the Net OPEB Liability (Asset)	$ (58,562)	$ 451,258	$ 447,191	$ 362,699	$ 343,519
Partnership's Covered Payroll	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157
Partnership's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-11.70%	91.09%	89.56%	76.73%	75.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	46.33%	54.14%	54.04%

(1) Information prior to 2017 is not available. Amounts presented for each fiscal year were determined as of the Partnership's measurement date which is December 31 of the prior year.

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Required Supplementary Information
Schedule of Partnership's OPEB Contributions
Ohio Public Employees Retirement System
Last Ten Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ 4,727	$ 9,103	$ 8,697	$ 8,374	$ 4,290	$ 16,708
Contribution in Relation to the Contractually Required Contributions	-	-	-	-	(4,727)	(9,103)	(8,697)	(8,374)	(4,290)	(16,708)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Partnership Covered-Employee Payroll	$ 522,564	$ 500,450	$ 495,386	$ 499,336	$ 472,700	$ 455,157	$ 434,836	$ 418,707	$ 429,043	$ 417,707
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%	4.00%

The accompanying notes are an integral part of the required supplementary information

Community Partnership on Aging

Notes to Required Supplementary Information

For the Year Ended December 31, 2021

Note 1: Net Pension Liability

Changes in Assumptions – OPERS

Amounts reported in the required supplementary information for OPERS Traditional and Combined Plans incorporate changes in assumptions used by OPERS in calculating the pension liability. These assumptions are presented below for the periods indicated:

Key Methods and Assumptions in Valuing Total Pension Liability – 2021

	OPERS Traditional plan
Valuation Date	December 31, 2020
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	0.50% Simple through 2021 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2020

	OPERS Traditional plan
Valuation Date	December 31, 2019
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2019

	OPERS Traditional plan
Valuation Date	December 31, 2018
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.20%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple

Key Methods and Assumptions in Valuing Total Pension Liability – 2017-2018

	OPERS Traditional plan
Valuation Date	December 31, 2017
Experience Study	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases, including 3.25% inflation	3.25 to 10.75%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.15% Simple

Note 1: Net Pension Liability (continued)

Changes in Assumptions – OPERS (continued)

Key Methods and Assumptions in Valuing Total Pension Liability – 2016 and prior

	OPERS Traditional plan
Valuation Date	December 31, 2015
Experience Study	5-year period ended December 31, 2010
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases, including 3.75% inflation	4.25 to 10.05%
COLA or Ad Hoc COLA:	
Pre-Jan 7, 2013 Retirees	3% Simple
Post-Jan 7, 2013 Retirees	3% Simple through 2018 then 2.8% Simple

Mortality rates - Amounts reported beginning in 2017 use mortality rates based on the RP-2014. Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

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

Note 2: Net OPEB Liability (Asset)

Changes in Assumptions – OPERS

For 2021, the single discount rate changed from 3.16% in 2020 to 6.00%. For 2021, the municipal bond rate changed from 2.75% to 2.00%. For 2021, the health care cost trend rate changed from 10.5% initial, 3.5%, ultimate in 2030 to 8.5% initial, 3.5% ultimate in 2035.

For 2020, the single discount rate changed from 3.96% in 2019 to 3.16%. For 2020, the municipal bond rate changed from 3.71% to 2.75%. For 2020, the health care cost trend rate changed from 10% initial, 3.25%, ultimate in 2029 to 10.5% initial, 3.5% ultimate in 2030.

For 2019, the OPERS Board adopted a change in the investment return assumption, reducing it from 6.5% to 6.0%. For 2019, the single discount rate changed from 3.85% in 2018 to 3.96%. Prior to 2018, the single discount rate was 4.23%. For 2019, the municipal bond rate changed from 3.31% to 3.71%. For 2019, the health care cost trend rate changed from 7.5% initial, 3.25%, ultimate in 2028 to 10% initial, 3.25% ultimate in 2029.

Factors Significantly Affecting Trends in Reported Amounts – OPERS

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes significantly decreased the total OPEB liability (asset) for the measurement date December 31, 2020.

OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Community Partnership on Aging
Cuyahoga County
1370 Victory Drive
South Euclid, Ohio 44121

To the Board of Directors:

We have audited, in accordance with the 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 *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Partnership on Aging, Cuyahoga County, (the Partnership) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Partnership's basic financial statements and have issued our report thereon dated September 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Partnership's internal control over financial reporting (internal control) as a basis for designing 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 Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of the Partnership'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 Partnership'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 Partnership'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 Partnership'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 Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keith Faber
Auditor of State
Columbus, Ohio

September 21, 2023

OHIO AUDITOR OF STATE
KEITH FABER

COMMUNITY PARTNERSHIP ON AGING

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.

Certified for Release 10/12/2023

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