ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
Annapolis, Maryland

AUDITED FINANCIAL STATEMENTS
June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Attorney Grievance Commission of Maryland

Opinion

We have audited the financial statements of the Attorney Grievance Commission of Maryland (the Commission), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of budget, receipts, expenditures, and net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying statements of financial position of the Commission as of June 30, 2022, and the related statements of budget, receipts, expenditures, net assets, and cash flows for the year then ended, present fairly, in all material respects, the financial position of Commission as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion – 2021

In our opinion, except for the effects of expensing software costs as described in the Basis for Qualified Opinion – 2021, the accompanying statements of financial position of the Commission as of June 30, 2021, and the related statements of budget, receipts, expenditures, net assets, and cash flows for the year then ended, present fairly, in all material respects, the financial position of Commission as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the statements of financial position as of June 30, 2022, and the related statements of budget, receipts, expenditures, and net assets, and cash flows for the year then ended.

Basis for Qualified Opinion – 2021

The Commission recognized expense for certain software costs totaling $173,000 for the year ended June 30, 2020. In our opinion, in accordance with accounting principles generally accepted in the United States of America, these costs should have been recognized for the year ended June 30, 2021. See Note 10 for additional detail regarding this matter and the accounts affected.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

HeimLantz

HeimLantz CPAs & Advisors, LLC
Annapolis, Maryland

September 26, 2022

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 and 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 748,015	$ 1,168,947
Certificates of deposit - short-term	4,000,000	3,500,000
Client Protection Fund accounts receivable	91,301	87,242
Prepaid expenses	16,003	10,911
TOTAL CURRENT ASSETS	4,855,319	4,767,100
NON-CURRENT ASSETS		
Property and equipment, net	19,617	37,647
Certificates of deposit - long-term	-	750,000
Security deposits	20,020	20,020
TOTAL NON-CURRENT ASSETS	39,637	807,667
TOTAL ASSETS	$ 4,914,573	$ 5,612,414

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts payable and other current liabilities	$ 25,458	$ 168,124
Payroll liabilities	78	310
Pension payable	330,016	326,208
Accrued compensated absences	224,265	199,301
Current portion of deferred lease expense	5,859	5,859
TOTAL CURRENT LIABILITIES	585,676	699,802
LONG-TERM LIABILITIES		
Deferred lease expense	11,719	17,578
Retiree health insurance credit plan	1,061,553	1,026,525
TOTAL LONG-TERM LIABILITIES	1,073,272	1,044,103
TOTAL LIABILITIES	1,658,948	1,743,905
NET ASSETS		
Restricted fund balance	-	771,755
Unrestricted fund balance	3,236,008	3,096,754
TOTAL NET ASSETS	3,255,625	3,868,509
TOTAL LIABILITIES AND NET ASSETS	$ 4,914,573	$ 5,612,414

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

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF BUDGET, RECEIPTS, EXPENDITURES AND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

	2022			2021
	Actual	Budget	Variance Positive (Negative)	Actual
COMMISSION RECEIPTS				
Attorney assessments	$ 4,605,165	$ 4,562,910	$ 42,255	$ 4,566,140
Investment income	6,065	12,000	(5,935)	54,707
Court recovered costs	65,404	45,000	20,404	40,194
TOTAL RECEIPTS	4,676,634	4,619,910	56,724	4,661,041
COMMISSION EXPENSES				
Personnel costs	3,558,362	3,557,966	396	3,139,497
Case management costs	178,126	232,000	(53,874)	217,542
Staff support	52,552	102,900	(50,348)	32,481
Outside services	104,753	113,500	(8,747)	105,584
Information technology support	183,243	216,000	(32,757)	150,754
Office expense	300,631	355,445	(54,814)	306,439
Court mandated costs	122,066	145,000	(22,934)	126,513
TOTAL EXPENDITURES	4,499,733	4,722,811	(223,078)	4,078,810
INCREASE IN UNRESTRICTED FUND BALANCE BEFORE COURT ORDERED REFUND	176,901	(102,901)	279,802	582,231
Refunding of funds dedicated to the Maryland Professionalism Center	-	-	-	3,157
INCREASE IN NET ASSETS	$ 176,901	$ (102,901)	$ 279,802	$ 585,388
NET ASSETS, BEGINNING OF YEAR	3,830,862			3,340,249
RESTRICTED FUND BALANCE, PRIOR YEAR	(771,755)			(94,775)
RESTRICTED FUND BALANCE, CURRENT YEAR	-			771,755
UNRESTRICTED FUND BALANCE	3,236,008			3,059,107
NET ASSETS, END OF YEAR	$ 3,236,008			$ 3,830,862

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

THE ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

CASH FLOWS FROM OPERATING ACTIVITIES	**2022**	**2021**
Increase in net assets:	$ 176,901	$ 582,231
Adjustments to reconcile increase in unrestricted net assets to cash provided by (used in) operating activities		
Depreciation	19,430	21,819
(Increase) decrease in:		
Client Protection Fund accounts receivable	(4,059)	12,778
Prepaid expenses	(5,092)	1,236
Increase (decrease) in:		
Accounts payable	(142,666)	(34,598)
Payroll liabilities	(232)	(955)
Pension payable	3,808	7,419
Accrued compensated absences	24,964	63
Retiree health insurance credit plan	35,028	106,944
Deferred lease expense	(5,859)	(5,860)
NET CASH PROVIDED BY OPERATING ACTIVITIES	102,223	691,077
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds from investments held to maturity	250,000	-
Purchase of property & equipment	(1,400)	(7,117)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	248,600	(7,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Court ordered transfer to the Client Protection Fund	(771,755)	(94,775)
Refund from the Maryland Professionalism Center	-	3,157
NET CASH USED IN FINANCING ACTIVITIES	(771,755)	(91,618)
NET INCREASE (DECREASE) IN CASH	(420,932)	592,342
CASH AT BEGINNING OF YEAR	1,168,947	576,605
CASH AT END OF YEAR	$ 748,015	$ 1,168,947

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

Nature of the Commission
The Attorney Grievance Commission of Maryland, (the Commission) was authorized and created by the Court of Appeals of Maryland on February 10, 1975 to oversee the conduct of both Maryland lawyers and nonmembers of the Maryland Bar who engage in the practice of law in the State. The Commission investigates and, where indicated, prosecutes attorneys whose conduct violates the Maryland Attorneys' Rules of Professional Conduct as well as those engaged in the unauthorized practice of law.

Basis of Accounting
As an instrumentality of the Maryland Court of Appeals, the Commission maintains its accounting records on a basis consistent with generally accepted accounting principles. The Commission's funds are used to account for the proceeds of revenue sources that are restricted to expenditures for specific purposes.

Revenue and Revenue Recognition
Attorney assessments are the Commission's primary source of revenue. Assessments are received through payments made by individual attorneys to the Client Protection Fund of the Bar of Maryland (CPF) on a billing which includes assessments for CPF and the Commission. These annual assessments are required by the Maryland Judiciary for any individual admitted to practice before the Court of Appeals or issued a certificate of special authorization pursuant to Title 19, Chapter 200 of the Maryland Rules.

Since there is no requirement that an individual remain admitted to practice law in the State of Maryland, assessments are deemed to be revenue only when collected. When assessments are collected by the Client Protection Fund, but not yet remitted to the Commission, they appear as a receivable on these financial statements. Based on prior experience, management feels that all amounts will be collected; therefore, there is no allowance for doubtful accounts included in these financial statements. The assessment collected by the Commission for each attorney in practice was $110 for the years ended June 30, 2022 and June 30, 2021. The number of practicing attorneys as of June 30, 2022 and 2021 was 41,605 and 41,626, respectively.

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

Income Tax Status
The Commission is an instrumentality of the Maryland Court of Appeals and as such is not subject to income taxes. Accordingly, no provision has been made. The Commission believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents
Cash and cash equivalents represent cash held in checking and money market accounts with original maturities of less than ninety days.

Investments

The Commission invests solely in brokered, negotiable, certificates of deposit. Because the certificates of deposit are purchased in increments of $250,000 or less, they are fully insured by the FDIC. Accordingly, there is virtually no risk of gain or loss if the investments are held to maturity.

Management intendeds to hold all certificates of deposit to maturity. In accordance with FASB ASC 825, *Financial Instruments – Overall,* these investments are carried at cost.

Any certificates of deposit that mature within one year of the financial statement date are classified on the statement of financial position as “certificates of deposit - short-term” and those with maturity dates greater than one year after the financial statement date are classified “certificates of deposit – long-term”.

Property and Equipment

Acquisitions of equipment and furniture and all expenditures for repairs, maintenance, and betterments costing $1,000 or greater that materially prolong the useful lives of assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Equipment and furniture are stated at cost, less accumulated depreciation. Depreciation and amortization are computed using the straight-line method over estimated useful lives of three to thirty-nine years. Leasehold improvements are amortized on the straight-line method over the shorter of the lease term or estimated useful life of the asset.

Compensated Absences

The Commission accrues a liability for certain sick leave, and all annual leave which has been earned but not taken by the employees. Employees can earn a maximum of 25 days for annual leave per year. Annual leave can be accumulated up to 35 days. There is no requirement that annual leave be taken in the year earned. Upon termination, employees are paid for any accumulated annual leave. Employees hired prior to January 1, 1989 are reimbursed one third of accumulated sick leave, up to 60 days upon termination. Employees hired after 1988 are not reimbursed for accumulated sick leave. As of June 30, 2022, there are only two current employees hired prior to January 1, 1989.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	2022	2021
Computer equipment	$ 118,890	$ 120,324
Furniture and fixtures	88,202	88,202
Leasehold improvements	17,390	17,390
Software	118,796	118,796
Total property and equipment	343,278	344,712
Less accumulated depreciation	(323,661)	(307,065)
Property and equipment, net	$ 19,617	$ 37,647

Depreciation expense for the periods ending June 30, 2022 and 2021 was $19,430 and $21,819 respectively.

NOTE 3 - PENSION PLAN

The Commission sponsors a trustee defined contribution pension plan covering substantially all employees meeting minimum age and service requirements. Contributions to the plan for the years ended June 30, 2022 and 2021 were $330,016 and $326,208 respectively. This amount is equal to 15% of the participant's compensation. For periods ending June 30, 2022 and 2021, the amount owed by the Commission to the plan was $330,016 and $326,208 respectively.

NOTE 4 – OTHER POSTEMPLOYMENT BENEFITS

On September 1, 2012 the Commission adopted an Other Post-Employment Benefit Plan (OPEB) to provide health insurance reimbursement benefits to eligible retirees and their surviving spouses. The official name of the plan is "The Attorney Grievance Commission of Maryland Retiree Health Insurance Credit Plan." Eligible retirees include employees with at least ten years of service and have attained age fifty-five, or persons who have become disabled and are receiving benefits under the terms of the Social Security Act. Surviving spouses must have been covered under this plan at the time of the retiree's death and enroll in the Plan on the first day of the month following the death of the covered retiree. Plan benefits will be paid directly by the Commission to the retiree at a rate of the lesser of $4,200 annually or their actual health insurance premiums.

An actuarial valuation is performed to determine the outstanding "Net OPEB Liability" on an annual basis. This valuation is performed as of the final day of the prior year, and reflects what the Commission's liability would be if all eligible employees terminated employment at that date. See below for key actuarial and balance information for the most recent valuation.

Key Actuarial Factors

Actuarial cost method	Entry age normal cost method
Discount rate	1.92%
Actuarial valuation date	June 30, 2021

The "2021 Net OPEB Liability" was calculated as $1,103,515. See **Appendix A** for additional information regarding how this figure was calculated, as well as additional disclosures required under GASB 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pension.*

During the year ended June 30, 2022, the Commission made payments $41,962 to current retirees, thereby reducing the OPEB liability to $1,061,553, as of June 30, 2022. This balance is reflected on the statement of position as "retiree health insurance credit plan".

NOTE 5 – LEASE COMMITMENT

The Commission leases office space in Annapolis, MD. The lease calls for monthly rental payments beginning on July 1, 2016. In addition to lease payments, the Commission is responsible for their portion of common area maintenance and property tax of approximately $900 per month. The lease is an operating lease and the agreement expires in 2025, with an option to renew for up to five years. In the normal course of business, it is expected that available options to renew will be exercised.

In addition, at signing, the lease included a lease incentive of deferred lease expense for the first three months of the agreement. This amount is amortized over the life of the lease. Total remaining amount of deferred lease expense provided by the lessor at June 30, 2022 is $17,578.

The following is a schedule, by year, of future minimum rental payments required under the operating lease agreements:

June 30, 2023	$ 240,236
June 30, 2024	240,236
June 30, 2025	180,177
Total	**$ 660,649**

NOTE 6 - RELATED PARTY TRANSACTIONS

Revenue
The Commission has significant transactions with the Client Protection Fund of the Bar of Maryland (CPF), an instrumentality of the State of Maryland. All attorney assessments are collected by CPF and the Commission's portion is transferred monthly by check. At year end, CPF owed the Commission attorney assessments in the amount of $1,715 and $1,500 at June 30, 2022 and 2021, respectively.

Reimbursable Expenses
The Commission provided office space, salary and benefits to three CPF employees. CPF reimburses the Commission for these expenses on a quarterly basis. During the years ending June 30, 2022 and 2021, the Client Protection Fund of the Bar of Maryland was billed $258,323 and $329,100, respectively, by the Commission for fees incurred for salaries, benefits and lease expenses. At June 30, 2022 and 2021, the Client Protection Fund of the Bar of Maryland owed these fees to the Commission in the amount of $89,586 and $85,742, respectively.

NOTE 7 – BONDS

The Commission has a $6,000,000 blanket crime protection insurance policy in effect for employee dishonesty.

NOTE 8 – CONTINGENCIES

Prior to the 2014 fiscal year, the Maryland Court of Appeals, at its discretion, was permitted to order a transfer of funds from the Commission to court related agencies. On March 13, 2014 an Administrative Order was issued by the Maryland Court of Appeals, requiring the Commission to maintain a net asset balance of 75% of the prior year's fiscal expenditures. Any excess net asset amount would be due to the Client Protection Fund, as of 30 days following the issuance of annual audited financial statements.

As this amount cannot be determined by the Commission as of the fiscal year end, and it has not been declared or approved by the Courts, it is not a current liability of the Commission, but rather a restricted portion of net assets. Per this Order, at June 30, 2022 and 2021, the Commission owed $0 and $771,755 to the Client Protection Fund, respectively. These amounts are reported as "Restricted Fund Balance" on the Statements of Financial Position. The $771,755 owed as of June 30, 2021 was paid to the Client Protection Fund by the Commission on September 28, 2021.

In addition, on October 17, 2019, and as directed by the Court of Appeals of Maryland, the Commission received a refund of unspent funds from the Maryland Professionalism Center in the amount of $341,466. On June 22, 2021, the Commission received a second payment in the amount of $3,157. No further payments were received, and the Commission does not anticipate additional refunds in the future.

Beginning Net Assets	$ 3,830,862
Plus Refund From Maryland Professionalism Center:	-
Plus Net income:	176,901
Less Balance Paid Prior Year:	(771,755)
Ending Net Assets	$ 3,236,008
Total FY2022 Expenditures	$ 4,499,733
75% of Total Expenditures	3,374,800
Excess Fund Balance, June 30, 2022	$ -

NOTE 9 – MANAGEMENT'S SUBSEQUENT REVIEW

The Commission has evaluated subsequent events through September 26, 2022 the date which the financial statements were available to be issued, and no events were noted that would materially impact the financial statements.

NOTE 10 – RECOGNITION OF CERTAIN SOFTWARE COSTS

The Commission entered into an agreement to upgrade its internal software system for $173,000 in June 2020, and recognized this expense in the year that the agreement was made. The Commission paid a deposit of $50,000 at that time. Under accounting principles generally accepted in the United States (US GAAP), expenses should be recognized in the period that the corresponding benefit has been received. That is, the year the system upgrade work is performed. The Commission's treatment of this expenditure is a departure from US GAAP and a summary of the effect of departure is provide below.

As of and for the year ended June 30, 2020:

Account	As Reported	Per US GAAP	Effect of departure
Software license/updates expense	$ 196,963	$ 23,963	+ 173,000
Prepaid expense	$ 12,147	$ 62,147	- 50,000
Accounts payable	$ 202,722	$ 79,755	+ 123,000
Net assets	$ 3,340,249	$ 3,513,249	- 173,000

As of and for the year ended June 30, 2021:

Account	As Reported	Per US GAAP	Effect of departure
Software license/updates expense	$ 20,650	$ 193,650	- 173,000
Net assets	$ 3,830,862	$ 3,830,862	No change to end. bal.

There were no variances between amounts reported and US GAAP, related to the above matter, as of June 30, 2022.

Appendix A

Additional Required Disclosures Under GASB 75

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2020 for FYE 2021	$1,065,608	$0	$1,065,608
Changes for the Year			
Service Cost	43,009		43,009
Interest	25,577		25,577
Changes of Benefit Terms	0		0
Experience Losses/(Gains)	(43,574)		(43,574)
Trust Contribution - Employer		39,139	(39,139)
Net Investment Income		0	0
Changes in Assumptions	52,034		52,034
Benefit Payments (net of retiree contributions)	(39,139)	(39,139)	0
Administrative Expense		0	0
Net Changes	37,907	0	37,907
Balance as of June 30, 2021 for FYE 2022	**$1,103,515**	**$0**	**$1,103,515**
Funded status		0.00%	

OPEB Expense

1. Service Cost	$	43,009
2. Interest		25,577
3. Projected Earnings on OPEB Trust		0
4. OPEB Administrative Expense		0
5. Changes in Benefit Terms		0
6. Differences Between Expected and Actual Earnings		
In Current Fiscal Year Recognized in Current Year		0
From Past Years Recognized in Current Year		0
Total		0
7. Differences Between Expected and Actual Experience		
In Current Fiscal Year Recognized in Current Year		(4,842)
From Past Years Recognized in Current Year		(6,247)
Total		(11,089)
8. Changes in Assumptions		
In Current Fiscal Year Recognized in Current Year		5,782
From Past Years Recognized in Current Year		8,710
Total		14,492
9. Total OPEB Expense	**$**	**71,989**

Sensitivity of Total and Net OPEB Liability

The following table presents Attorney Grievance Commission's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher.

Discount Rate	1% Decrease 0.92%	Discount Rate 1.92%	1% Increase 2.92%
Total OPEB Liability	$1,261,701	$1,103,515	$973,371
Net OPEB Liability/(Asset)	$1,261,701	$1,103,515	$973,371

The following table presents Attorney Grievance Commission's Total and Net OPEB liability. We also present the Total and Net OPEB liability if it is calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher.

Ultimate Trend	1% Decrease 3.00%	Medical Trend 4.00%	1% Increase 5.00%
Total OPEB Liability	$957,343	$1,103,515	$1,288,184
Net OPEB Liability/(Asset)	$957,343	$1,103,515	$1,288,184

Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, Attorney Grievance Commission recognized an OPEB expense of $71,989. At June 30, 2022, Attorney Grievance Commission reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 79,573
Changes of assumptions	152,368	26,580
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer contribution subsequent to measurement date	TBD	
Total	**$ 152,368**	**$ 106,153**

An amount to be determined will be reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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

Fiscal Year Ended June 30	Measurement Date	Earnings (Inflow)/Outflow
2023	6/30/2022	$ 3,403
2024	6/30/2023	3,403
2025	6/30/2024	3,403
2026	6/30/2025	3,403
2027	6/30/2026	3,401
Thereafter	6/30/2027 and after	29,202

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

In conformity with paragraph 86b of Statement 75, the effects of differences between projected and actual earnings on OPEB plan investments are recognized in collective OPEB expense using a systematic and rational method over a closed five-year period, beginning in the current reporting period. The following table illustrates the application of this requirement.

			Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Projected and Actual Earnings on OPEB Plan Investments								
Year	Differences between Projected and Actual Earnings on OPEB Plan Investments	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026
2018	$ -	5	$ -	-	-	-	-				
2019	-	5		$ -	-	-	-	-			
2020	-	5			$ -	-	-	-	-		
2021	-	5				$ -	-	-	-	-	
2022	-	5					$ -	-	-	-	-
Net increase (decrease) in OPEB expense			**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Projected and Actual Earnings on OPEB Plan Investments

				Balances at June 30, 2021	
Year	Investment Earnings Less than Projected (a)	Investment Earnings Greater Than Projected (b)	Amounts Recognized in OPEB Expense Through June 30, 2021 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
2018	$ -	$ -	$ -	$ -	$ -
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
				$ -	**$ -**

Schedule of Differences between Expected and Actual Experience

In conformity with paragraph 86a of Statement 75, the effects of differences between expected and actual experience are recognized in collective OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

			Increase (Decrease) in OPEB Expense Arising from the Recognition of Differences between Expected and Actual Experience												
Year	Differences between Expected and Actual Experience	Recognition Period (Years)	Prior	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Thereafter
Prior			$ -	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	1		$ -											
2018	-	10			$ -	-	-	-	-	-	-	-	-	-	-
2019	(32,870)	10				$ (3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)	(3,287)
2020	(25,525)	10					$ (2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(2,553)	(5,101)
2021	(4,067)	10						$ (407)	(407)	(407)	(407)	(407)	(407)	(407)	(1,218)
2022	(43,574)	9							$ (4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(4,842)	(14,522)
Net increase (decrease) in OPEB expense			**$ -**	**$ -**	**$ -**	**$ (3,287)**	**$ (5,840)**	**$ (6,247)**	**$ (11,089)**	**$ (11,089)**	**$ (11,089)**	**$ (11,089)**	**$ (11,089)**	**$ (11,089)**	**$ (24,128)**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Differences between Expected and Actual Experience

				Balances at June 30, 2021	
Year	Experience Losses (a)	Experience Gains (b)	Amounts Recognized in OPEB Expense Through June 30, 2021 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
Prior	$ -	$ -	$ -	$ -	$ -
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	32,870	13,148	-	19,722
2020	-	25,525	7,659	-	17,866
2021	-	4,067	814	-	3,253
2022	-	43,574	4,842	-	38,732
				$ -	**$ 79,573**

Schedule of Changes of Assumptions

In conformity with paragraph 86a of Statement 75, the effects of changes of assumptions should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees), determined as of the beginning of the measurement period. The following table illustrates the application of this requirement.

			Increase (Decrease) in OPEB Expense Arising from the Effects of Changes of Assumptions											
Year	Changes of Assumptions	Recognition Period (Years)	Prior	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Thereafter
Prior	$ -		$ -	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	1		$ -											
2018	(48,022)	10			$ (4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)	(4,804)	-
2019	(4,280)	10				$ (428)	(428)	(428)	(428)	(428)	(428)	(428)	(428)	(428)	(428)
2020	53,976	10					$ 5,398	5,398	5,398	5,398	5,398	5,398	5,398	5,398	10,792
2021	85,418	10						$ 8,542	8,542	8,542	8,542	8,542	8,542	8,542	25,624
2022	52,034	9							$ 5,782	5,782	5,782	5,782	5,782	5,782	17,342
Net increase (decrease) in OPEB expense			**$ -**	**$ -**	**$ (4,802)**	**$ (5,230)**	**$ 168**	**$ 8,710**	**$ 14,492**	**$ 14,492**	**$ 14,492**	**$ 14,492**	**$ 14,492**	**$ 14,490**	**$ 53,330**

Deferred Outflows of Resources and Deferred Inflows of Resources Arising from Changes of Assumptions

				Balances at June 30, 2021	
Year	Increases in the Total OPEB Liability (a)	Decreases in the Total OPEB Liability (b)	Amounts Recognized in OPEB Expense Through June 30, 2021 (c)	Deferred Outflows of Resources (a) - (c)	Deferred Inflows of Resources (b) - (c)
Prior	$ -	$ -	$ -	$ -	$ -
2017	-	-	-	-	-
2018	-	48,022	24,010	-	24,012
2019	-	4,280	1,712	-	2,568
2020	53,976	-	16,194	37,782	-
2021	85,418	-	17,084	68,334	-
2022	52,034	-	5,782	46,252	-
				$ 152,368	**$ 26,580**

ATTORNEY GRIEVANCE COMMISSION OF MARYLAND
APPENDIX A: ADDITIONAL REQUIRED DISCLOSURES UNDER GASB 75
JUNE 30, 2022

Schedule of Changes in the Total Liability and Related Ratios

Changes in Employer's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years
Information for FYE 2017 and earlier is not available

Disclosure for Fiscal Year Ending:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Total OPEB liability										
Service Cost	$ 43,009	$ 35,343	$ 39,485	$ 39,422	$ 42,932	$ -	$ -	$ -	$ -	$ -
Interest Cost	25,577	29,333	31,845	31,258	25,234	-	-	-	-	-
Changes in Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(43,574)	(4,067)	(25,525)	(32,870)	-	-	-	-	-	-
Changes of Assumptions	52,034	85,418	53,976	(4,280)	(48,022)	-	-	-	-	-
Benefit Payments	(39,139)	(39,214)	(38,682)	(28,927)	(24,441)	-	-	-	-	-
Net Change in Total OPEB Liability	37,907	106,813	61,099	4,603	(4,297)	-	-	-	-	-
Total OPEB liability - Beginning of Year	1,065,608	958,795	897,696	893,093	897,390	-	-	-	-	-
Total OPEB Liability - End of Year	1,103,515	1,065,608	958,795	897,696	893,093	-	-	-	-	-

Plan Fiduciary Net Position
Last 10 Fiscal Years
Information for FYE 2017 and earlier is not available

Disclosure for Fiscal Year Ending:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement Date:	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Contributions - Employer	$ 39,139	$ 39,214	$ 38,682	$ 28,927	$ 24,441	$ -	$ -	$ -	$ -	$ -
Net Investment Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments (net of retiree contributions)	(39,139)	(39,214)	(38,682)	(28,927)	(24,441)	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	-	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - Beginning of Year	-	-	-	-	-	-	-	-	-	-
Fiduciary Net Position - End of Year	-	-	-	-	-	-	-	-	-	-
Net OPEB Liability	1,103,515	1,065,608	958,795	897,696	893,093	-	-	-	-	-
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%					
Covered-Employee Payroll[1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll[1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	9	10	10	10	10	-	-	-	-	-

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Notes to Schedule:

Benefit changes: None.

Changes of assumptions: The discount rate was changed as follows:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
The discount rate changes year-to-year:	1.92%	2.45%	3.13%	3.62%	3.58%	N/A	N/A	N/A	N/A	N/A

The retirement and termination assumptions were updated to match those used by the most recent State of Maryland valuation.

1/ Because this OPEB plan does not depend on salary, we do not have salary information.