

Brooke-Hancock-Jefferson
Metropolitan Planning Commission
Steubenville, Ohio

**Financial Statements and
Supplementary Information
Together with Auditor's Report
As of June 30, 2008**



Mary Taylor, CPA
Auditor of State

Executive Committee
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North Fourth Street
Steubenville, Ohio 43952

We have reviewed the *Report of Independent Accountants* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 16, 2009

This Page is Intentionally Left Blank.

**Brooke-Hancock-Jefferson
Metropolitan Planning Commission
AUDIT REPORT
JUNE 30, 2008**

	<u>Page Number</u>
Schedule of Findings and Questioned Costs	2
Status of Prior Audit Findings	3
Independent Auditor's Report	4-5
Management's Discussion & Analysis	6-10
 <u>BASIC FINANCIAL STATEMENTS</u>	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – Governmental Fund	13
Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statements of Revenues, Expenditures, And Changes in Fund Balance of Governmental Fund to The Statement of Activities	16
Notes to the Financial Statements	17-25
Schedule of Expenditures of Federal Awards	26
Note to Schedule of Expenditures of Federal Awards	27
Report on Compliance and on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	28-29
Report on Compliance with Requirements Applicable to Each Major Program And On Internal Control Over Compliance in Accordance with OMB Circular A-133	30-31
 SUPPLEMENTARY INFORMATION:	
Schedule of Agency Management Expenditures – Indirect Costs	32
Schedule of Fringe Benefits	33
Schedule of Contract Revenues and Expenditures	34-35
Note to Schedule of Contract Revenues and Expenditures	36

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2008**

SUMMARY OF AUDITOR RESULTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor’s report issued:

An unqualified opinion has been issued on the financial statements of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2008, dated April 8, 2009.

Internal control significant deficiencies _____ Yes X None
reported

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None
reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None
reported

An unqualified opinion has been issued on the compliance for major programs of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2008, and dated April 8, 2009.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? _____ Yes X No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Research
66.818	EPA Administrative Contract

The dollar threshold used to determine major programs was \$300,000.

Brooke-Hancock-Jefferson Metropolitan Planning Commission was determined to be a high-risk auditee for the year ended June 30, 2008.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2008**

None



REPORT ON INDEPENDENT ACCOUNTANTS

To the Executive Committee
of the Brooke-Hancock-Jefferson
Metropolitan Planning Commission

We have audited the accompanying financial statements of the governmental activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, as of and for the year ended June 30, 2008, which collectively comprise the BHJ's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Miami Regional Planning Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2009 on our consideration of the Brooke-Hancock-Jefferson Metropolitan Planning Commission'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Brooke-Hancock-Jefferson
Metropolitan Planning Commission
Page 2

Management's Discussion and Analysis and the budgetary comparison on pages 6 through 10, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BHI's basic financial statements. The accompanying schedule of expenditures of federal awards included on page 26 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the BHI. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying schedules included on pages 32-36 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

S. R. Smolgrass, A.C.

Steubenville, Ohio
April 8, 2009

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2008

The following Management's Discussion and Analysis (MD&A) provides an overview of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (BHJ) financial performance and provides an introduction to the financial statements for the year ended June 30, 2008. The information contained in the MD&A should be considered in conjunction with the information presented in BHJ's financial statements and corresponding notes in the financial statements.

The basic concept that underlies the standards for MD&A is:

“Each general purpose federal financial report (GPFFR) should include a section devoted to management's discussion and analysis (MD&A). It should address the reporting entity's performance measures, financial statements, systems and controls, compliance with laws and regulations, and actions taken or planned to address problems. The discussion and analysis of these subjects may be based Partly on information contained in reports other than the GPFFR. MD&A also should address significant events, conditions, trends and contingencies that may affect future operations.”

Federal Accounting Standards Advisory Board. Statement of Recommendations. Accounting Standard #15. April 1999.

Overview of the Financial Statements

- BHJ's financial statement is prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives.
- The net assets statement presents information on all BHJ assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of BHJ is improving and deteriorating.
- Statements of Revenues, Expenditures, and Changes in Fund Balances are operational measures. They provide a guideline to determine whether BHJ successfully recovered all of its cost through federal, state and local government and contracts, members' per capita fees and other contributions and revenues.
- Statements of Cash Flow as illustrated by tables for Statement of Activities, Balance Sheet, and Fund Balances document cash receipts, cash disbursements, and net changes in cash resulting from operating activities, and capital and related financing activities.

Financial Highlights FY 07 to 08 Comparisons

- Total net assets (i.e., total assets minus total liabilities) increased by \$38,280. This change occurred due to a \$7,819 drop in “accounts payable” and a \$15,334 decrease in the “due to grantors” category.

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) YEAR ENDED JUNE 30, 2008

- Over the last ten years (i.e., 1999 through 2008), the audit year 2008 ranked as the third largest accumulated Net Asset amount with an amount of \$121,264. The low Net Asset year was 2004 with an amount of \$52,235.
- Revenue in 2008 increased \$58,731 over the previous year. The change was largely due to a special Rideshare marketing grant and a special Brownfield assessment grant.
- Expenses in 2008, driven by the above revenue generation, increased \$26,261.
- Cash on hand at June 30, 2008 was \$103,323, down \$6,109 from 2007, when the account was \$109,432.
- When compared to 2007, Indirect Costs in 2008 increased 7% while fringe costs decreased 3% during the same comparison period. The primary driver for indirect costs is “personnel” while the primer fringe costs driver is “health insurance.”
- A major accounting change for 2008 was the incorporation of “agency management” expenditures or overhead administrative costs into BHJ’s general programs. This change was suggested by the Ohio Department of Transportation Auditor to better illustrate program impact.

Long Term Debt

Long term debt at June 30, 2008 was \$0. Under Ohio Revised Code, BHJ does not have the authority to incur debt; however, BHJ may enter into capital leases.

Economic Conditions

BHJ relies heavily on federal, state and local grants, contracts and local membership dues to fund our many programs. In the short term, these revenues are secure and relatively predictable; however, on a long-term basis, legislative action can alter these revenue streams. As a consequence, BHJ continues to seek revenue diversity for the greatest regional impact.

Contacting BHJ

This financial report is designed to provide members, grantors, federal and state oversight agencies and the citizens of the Upper Ohio Valley and Northern Panhandle with a general overview of BHJ’s finances and to show accountability for monies received. Additional financial information may be obtained by contacting the BHJ Finance Manager (124 North 4th Street. Steubenville, Ohio 43952).

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

ANNUAL AUDIT SUMMARY 2004 – 2008

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total Net Assets	\$ 51,235	\$ 63,514	\$ 60,310	\$ 82,984	\$121,264
Assets					
Cash bank/in hand	\$ 55,238	\$ 28,139	\$ 37,806	\$100,284	\$103,014
Accounts receivable	8,209	7,945	18,270	9,135	9,135
Grants receivable	50,184	83,859	68,825	74,722	69,559
Property/equipment	<u>23,903</u>	<u>16,876</u>	<u>12,488</u>	<u>26,536</u>	<u>23,722</u>
Total Assets	\$137,534	\$136,819	\$ 137,389	\$210,677	\$205,430
Liabilities					
Accounts payable	\$ 18,138	\$ 9,347	\$ 13,908	\$ 34,079	\$ 26,260
Interfund payable	-	12,261	8,672	5,084	-
Accrued/Withheld					
Benefits	6,345	5,914	10,090	9,459	15,945
Accrued payroll	9,017	9,120	10,986	11,313	-
Accrued/Withheld					
Tax	5,047	3,299	2,188	3,548	1,495
Due to grantors	3,356	9,920	17,088	36,911	21,577
Deferred revenue	<u>9,334</u>	<u>23,444</u>	<u>14,146</u>	<u>27,300</u>	<u>18,889</u>
Total Liabilities	\$ 51,237	\$ 73,305	\$ 77,078	\$127,694	\$ 84,166
Revenue					
Fed. grants/projects	\$390,201	\$439,816	\$411,517	\$403,437	\$528,155
State financial assistance	106,181	150,360	100,525	102,222	75,262
Per capita dues	91,297	90,526	104,114	103,650	104,280
Other	<u>9,639</u>	<u>4,363</u>	<u>-</u>	<u>97,615</u>	<u>57,958</u>
Total Revenues	\$597,318	\$685,065	\$ 616,156	\$706,924	\$765,655
Expenditures					
Trans. Planning	\$194,092	\$163,825	\$ 145,706	\$182,205	\$343,709
Economic development	65,608	48,181	57,901	69,263	-
Transit studies	11,303	28,380	44,510	53,544	108,912
Comm. Development	56,499	62,349	43,072	55,708	102,033
Envier. Protection	59,715	163,766	98,615	106,194	173,495
Agency management	214,620	222,060	228,756	228,316	-
Indirect cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,658</u>	<u>-</u>
Total Expenditures	\$601,837	\$688,561	\$ 618,560	\$701,888	\$728,149

Source: BHJ Annual Audits.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

AUDITED FRINGE, INDIRECT & COMBINED RATE 1998 TO 2009

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0 %
1999	0.5792	1.2882	1.8854	17 %
2000	0.5655	1.0942	1.6597	(12)%
2001	0.5651	1.3223	1.8874	14 %
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	22 %
2004	0.7020	1.2558	1.9578	(7)%
2005	0.7553	1.3806	2.1359	9 %
2006	0.6415	1.4890	2.1305	0 %
2007	0.6620	1.1954	1.8616	(27)%
2008	0.6314	1.2770	1.9084	3 %
2009 Project	0.6549	1.1813	1.8362	(4)%

Source: BHJ Annual Audit Reports. 1998 – 2008 and BHJ Budget and Overall Work Program 2009.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

**INDIRECT AND FRINGE COMPARISON 2007 TO 2008
INDIRECT COSTS**

	<u>2007</u>	<u>2008</u>	<u>Change</u>	<u>% Change</u>
TOTAL INDIRECT COSTS	\$202,196	\$217,161	\$14,965	7 %
Personnel	85,678	90,896	5,218	7 %
Travel	201	1,500	1,299	646 %
Fringe Benefits	57,178	57,389	211	0 %
Advertising	1,646	442	(1,204)	(73)%
Rent	32,650	32,400	(250)	(1)%
Audit /Personal Service Contract	-	4,000	4,000	0 %
Insurance	3,573	3,439	(134)	(4)%
Telephone	4,925	5,186	261	5 %
Equipment Cost	205	275	70	34 %
Suppliers	1,408	4,442	3,034	215 %
Postage	3,147	4,550	1,403	46 %
Dues and Publications	2,358	1,059	(1,299)	(55)%
Other	9,325	11,583	2,258	24 %
 INDIRECT COST RATE	 1.195	 1.277		

Fringe Benefit Costs

	<u>2007</u>	<u>2008</u>	<u>Change</u>	<u>% Change</u>
TOTAL FRINGE BENEFITS	\$169,763	\$164,759	\$ (5,004)	(3)%
Salary Benefits	39,332	43,569	4,237	11 %
Payroll Benefits	5,745	5,793	48	1 %
Health Insurance	78,115	68,130	(9,985)	(12)%
Ohio PERS	46,571	47,267	696	15 %
 FRINGE BENEFIT RATE	 0.666	 0.631	 (0.035)	 (5) %

Source: BHI Annual Audits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$103,014
Accounts receivable	9,135
Grants and contributions receivable	69,559
Capital assets:	
Property, plant, and equipment, net of accumulated depreciation	<u>23,722</u>
TOTAL ASSETS	<u>\$205,430</u>
 LIABILITIES	
Accounts payable	\$ 26,260
Accrued and withheld employee benefits	1,093
Accrued payroll	12,873
Accrued and withheld payroll taxes	1,979
Due to grantors	21,577
Loan payable	1,495
Deferred revenue	<u>18,889</u>
TOTAL LIABILITIES	<u>\$ 84,166</u>
 NET ASSETS	
Investments in capital assets, net of related debt	\$ 22,227
Unrestricted	<u>99,037</u>
TOTAL NET ASSETS	<u>\$121,264</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$205,430</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government:			
Transportation planning	\$340,569	\$302,104	\$ (38,465)
Transit studies and capital planning	109,472	102,664	(6,808)
Community development projects	103,153	51,897	(51,256)
Environmental protection projects	<u>174,180</u>	<u>157,429</u>	<u>(16,751)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$727,374</u>	<u>\$614,094</u>	<u>\$(113,280)</u>
General Revenues:			
Per Capita revenues			\$104,280
West Virginia Development Office			40,000
Other revenues			<u>7,280</u>
TOTAL GENERAL REVENUES			<u>\$151,560</u>
CHANGES IN NET ASSETS			38,280
Net Assets, Beginning			<u>82,984</u>
NET ASSETS, ENDING			<u>\$121,264</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GOVERNMENT FUND
BALANCE SHEET
JUNE 30, 2008**

CURRENT ASSETS	General Fund
Assets	
Cash and cash equivalents	\$103,014
Accounts receivable	9,135
Grants receivable	<u>69,559</u>
TOTAL CURRENT ASSETS	<u>\$181,708</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 26,260
Accrued and withheld employee benefits	1,093
Accrued payroll	12,873
Accrued and withheld payroll taxes	1,979
Due to grantors	21,577
Deferred revenue	<u>18,889</u>
TOTAL LIABILITIES	<u>82,671</u>
 Fund Balance	
Fund balance – unrestricted	<u>99,037</u>
TOTAL FUND BALANCE	<u>99,037</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$181,708</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILITATION OF GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008**

Governmental Fund Balance	\$ 99,037
Amounts reported for governmental activities in the Statement of net assets are different because:	
Capital assets of \$75,133 net of accumulated depreciation of \$51,411, are not financial resources and, therefore, are not reported in the fund.	23,722
Long-term liabilities are not due and payable in the current period and are reported in the fund.	<u>(1,495)</u>
Net Assets of Governmental Activities	<u>\$121,264</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURE,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008**

	General Fund
REVENUES	
Federal grants and projects	\$528,155
State financial assistance	75,262
Per capita dues	104,280
Project fees	50,678
Other	<u>7,280</u>
TOTAL REVENUES	<u>\$765,655</u>
EXPENDITURES	
Transportation planning	\$343,709
Transit studies and capital planning	108,912
Community development projects	102,033
Environmental protection projects	<u>173,495</u>
TOTAL EXPENDITURES	<u>\$728,149</u>
Excess of revenues over expenditures	<u>\$ 37,506</u>
NET CHANGES IN FUND BALANCE	\$ 37,506
FUND BALANCE, BEGINNING	<u>61,531</u>
FUND BALANCE, ENDING	<u>\$ 99,037</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2008**

Net Change in Fund Balances - Governmental Fund \$37,506

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures.
The cost of those assets is allocated over their estimated useful
lives and is reported as depreciation expense. This is the
amount by which capital outlays of \$9,815 exceeded
depreciation of \$7,001 in the current period. (2,815)

Governmental funds report debt payments as expenditures.
This is the amount of debt payments in the current period. 3,589

Change in Net Assets of Governmental Activities \$38,280

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

1. Summary of Significant Accounting Policies

In fiscal year 2004, BHJ adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*; Statement No. 37 *Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This resulted in a change in format and content of the basic financial statements, including the institution of two levels of reporting. The two levels are government-wide financial statements and governmental fund financial statements.

Reporting Entity – BHJ is a quasi-government agency that provides planning and administrative service to various federal, state, and local governments for the three county area of Hancock and Brooke Counties of West Virginia and Jefferson County Ohio. BHJ is as a reporting entity in accordance with GASB No. 14.

BHJ is made up of the Commissioners of Brooke and Hancock counties of West Virginia and Jefferson county of Ohio and all mayors of each city and village in the above three counties. The commissioners then appoint additional members. As such, each of the counties and municipalities is required to pay a per capita contribution to BHJ for each fiscal year.

BHJ maintains its own set of accounting records. Accordingly, the accompanying financial statements include only the accounts and transactions of BHJ. Under the criteria specified in Statement No. 14, BHJ has no component units. BHJ is not financially accountable for any other organization.

Government-Wide and Governmental Fund Financial Statements – The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses have been included as part of program expenses on the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenue. Major individual governmental funds are reported as separate columns in the fund financial statements.

The effect of internal activity has been removed from these statements. BHJ has only one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at BHJ.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within ninety days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

Fund Accounting – The accounts of BHJ are organized on the basis of funds or groups of accounts, each of which is considered a separate accounting entity. BHJ has one fund (General Fund). The operations of the fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in the fund based upon the purposes of which they are to be spent and the means by which spending activities are controlled. The fund in this report is reported under the following broad fund category:

Governmental Funds

General Fund – The General Fund is the general operating fund of BHJ. It is used to account for all financial resources.

Revenues – Non-Exchange Transactions – Non-exchange transactions, in which BHJ receives value without directly giving value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal 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 fiscal year when use is first permitted, matching requirements, in which BHJ must provide local resources to be used for those specific purposes, and expenditure requirements, in which the resources are provided to BHJ on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Expenses/Expenditures – On an 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.

Capital Assets – BHJ capitalizes at cost only non-program specific purchased property and equipment (See Note 10) costing \$500 and greater and with a useful life greater than one year. Capital assets are depreciated using the straight-line method over their estimated useful lives less any salvage value.

Reservations of Fund Balance – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose or are not available for expenditure in the governmental fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for spending in future periods. If restricted and unrestricted assets are available for the same purpose, then restricted assets will be used before unrestricted assets.

Net Assets – Net assets present the difference between assets and liabilities in the statement of net assets. Net assets are reported as restricted when there are legal limitation imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments.

Allocation of Employee Benefits and Indirect Cost – BHJ’s Employee Benefits and Indirect Costs are allocated based upon direct labor costs. The allocation method is approved by BHJ’s oversight agency through acceptance of the Overall Work Plan (OWP) submitted annually.

Cash and Cash Equivalents – The investment and deposit of BHJ’s monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statues also permit BHJ to invest its monies in certificates of deposits, savings accounts, money market accounts, the State Treasurer’s investment pool (Star Ohio) and obligations of the United States government and certain agencies thereof. BHJ may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

BHJ is prohibited from investing in any financial instruments, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instruments, contracts, or obligation itself (commonly known as a “derivative”). BHJ is also prohibited from investing in reverse purchase agreements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Cash and Cash Equivalents (continued) – Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution or may deposit surety company bonds which when executed shall be for an amount in excess of collateral requirements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations or of guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in BHJ's name.

Income Taxes – BHJ is exempt from federal income tax under §501(c)(1) of the Internal Revenue Code of 1954.

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

2. Deposits and Investments

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2008:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
National City	<u>\$103,323</u>	<u>\$102,691</u>
Total cash deposits	103,323	102,691
Petty cash	-	<u>323</u>
Total cash deposits and cash on hand	<u>\$103,323</u>	<u>\$103,014</u>

BHJ's funds at National City are insured up to the FDIC limit. At June 30, 2008, the agency's balances were not in excess of the FDIC prescribed insured limits. Refer to the Cash and Cash Equivalents section of Note 1 for deposit and investment policies.

As of June 30, 2008, \$3,323 of BHJ's bank balances of \$103,323 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 3,323</u>
Total	<u>\$ 3,323</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

3. Capital Assets

A summary of changes in capital assets for the fiscal year ended June 30, 2008 is as follows:

Governmental Activities:

Equipment	
Balance of July 1, 2007	\$ 72,282
Additions	7,001
Deletions	<u>(4,150)</u>
Balance June 30, 2008	\$ 75,133
Accumulated Depreciation	
Prior Years	(45,746)
Current Year	(9,815)
Deletions	<u>4,150</u>
Balance June 30, 2008	<u>(51,411)</u>
Net Capital Assets June 30, 2008	<u>\$ 23,722</u>

4. Due to Grantors

Due to grantors of \$21,577 is comprised of amounts due to the following governmental entities at June 30, 2008:

U.S. Department of Commerce – ARC 2005	\$ 1,754
U.S. Department of Commerce – EDA 2007	<u>19,823</u>
Total due to grantor	<u>\$ 21,577</u>

5. Deferred Revenue

Deferred Revenue represents monies advanced to BHJ from grantors for the purpose of carrying on specific grant functions, but is unobligated as of June 30, 2008:

Appalachian Regional Commission	\$ 10,014
ODOT Highway and Transit	3,666
Local Per-Capita Revenues	4,165
Other Grants	<u>1,044</u>
Total deferred revenue	<u>\$ 18,889</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

6. GRANTS RECEIVABLE

Grants receivable of \$69,559 is comprised of amounts due from the following governmental entities at June 30, 2008:

WV Department of Transportation – FHWA (Federal)	\$ 8,655
WV Department of Transportation – FHWA (State)	1,082
WV Department of Transportation – FTA Section 8 (Federal)	892
WV Department of Transportation – FTA Section 8 (State)	112
Ohio Department of Transportation – FHWA (Federal)	13,216
Ohio Department of Transportation – FHWA (State)	1,652
Ohio Department of Transportation – Special Trans. Planning	98
Ohio Department of Transportation – FTA Section 8 (Federal)	2,501
Ohio Department of Transportation – FTA Section 8 (State)	313
Ohio Long Range Element Financing (Federal)	3,966
Ohio Long Range Element Financing (State)	<u>1,062</u>
Total transportation	<u>33,549</u>
Brooke County, WV – Colliers Sewer – EPA	3,326
Mahan’s Lane/Eldersville Road – EPA	5,066
BDC Parcel – EPA	897
Beech Bottom Water – EPA	13,810
Route 8 Sewer – EPA	1,802
Hammond Lazeur Lane – EPA	328
BC/HC Transit Study	134
New Cumberland Elevator	1,970
Brownsfield – EPA	2,075
Jefferson County Transit Study	1,772
Weirton Transit Study	3,313
Toronto 5 th Street	<u>1,517</u>
Total other	<u>36,010</u>
Total grants receivable	<u>\$69,559</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

7. Defined Benefit Pension Plan

All of the BHJ's full-time employees participate in a cost sharing, multiple employer defined benefit pension plan.

Ohio Public Employees Retirement System (OPERS) – The following information was provided by the Ohio Public Employees Retirement System (OPERS) to assist BHJ in complying with GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers."

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: 1. The Traditional Plan is a cost-sharing multiple-employer defined benefit pension plan. 2. The Member-Directed Plan is a defined contribution plan. 3. The Combined Plan, a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

All employees of the BHJ, participate in one of the three OPERS pension plans. OPERS provides retirement, disability, survivor and death benefits, annual cost - of - living adjustments to qualifying members of both the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for the OPERS. Interested parties may obtain a copy by making a written request to: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-67055 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. As of January 1, 2008, the plan members are required to contribute 9.5% of their annual covered salary and the employer's contribution rate for 2008 was 13.85% of covered payroll. Internal Revenue Service law makes it possible for an employer to pay (pick up) employee contributions for member of PERS, and BHJ has opted to contribute 15.85% with plan members contributing 7.5% of covered payroll. BHJ's required contribution for the periods ended June 30, 2008, 2007, and 2006 were \$47,267, \$46,570 and \$42,745, respectively,

Other Post -Employment Benefits – OPERS provides retirement, disability, survivor and post-retirement health care benefits to qualifying members of both the Traditional and Combined Plans; however, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits including post-employment health care coverage.

OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 12.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

7. Defined Benefit Pension Plan (continued)

Other Post-Employment Benefits (continued) - A portion of each employer's OPERA contribution is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for public employers to fund post-retirement health care through their contributions to OPERS. The number of active contributing participants in the Traditional and Combined Plans was \$382,177.

Summary of Assumptions:

Actuarial Review: The following assumptions and calculations were based on the System's latest Actuarial Review performed as of December 31, 2005.

Funding Method: An individual entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actual gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation Method: All investments are carried at market value. For actuarial purposes, the funding value of defined benefit assets recognizes assumed investment return fully each year. Differences between actual and assumed investment return are phased in over a closed 4 year period. Funding value is not permitted to deviate from market value by more than 12%.

Investment Return: The investment assumption rate for 2005 was 8.00%, compounded annually, for all members and beneficiaries.

Active Employee Total Payroll: An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from .7% to 3%. Health care costs were assumed to increase 4.00% annually, beginning in 9 years.

The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2005 was \$11.7 billion. The actuarially accrued liability and the unfunded actuarially accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004 the OPERS Retirement Board adopted a Health Care Preservation Plan ("HCPP") with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to rising health care costs. Under the HCPP, retirees that are eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. HCPP will incorporate a cafeteria approach, offering a larger range of health care options that allow recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2007, which will allow additional funds to be allocated to the health care plan.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

8. Contingencies

Federal and State Grants – Under the terms of BHJ’s various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At June 30, 2007, there were no significant questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. Management of the BHJ believes there will be no material adjustments to the grants and, accordingly, has not recorded a provision for possible repayments under the above grants.

BHJ receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on BHJ’s programs and activities.

In the normal course of its business activities, BHJ may become subject to claims and litigation relating to contracts, employment or other matters. In the opinion of management, the resolution of any such claims pending would not likely have a material impact on the BHJ’s financial position

9. Risk Management

BHJ is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment matters, injuries to employees and employee theft and fraud.

BHJ participates in the Ohio Bureau of Workers’ Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. BHJ continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in prior years.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Federal Highway Administration	20.205	DOTC 14446	
Pass-through from ODOT			
Highway Planning & Research			\$149,005
Transit Technical Studies – FTA Section 8			10,176
Special Transportation Planning			10,277
Long Range Finance Element			7,240
Jefferson County Transit Study			68,309
Pass-through From WVDT			
Highway Planning & Research			102,325
Transit Technical Studies – FTA Section 8			<u>6,162</u>
Total CFDA #20.205			<u>353,494</u>
Appalachian Regional Commission			
Appalachian Local Development District	23.009	WV2436-C34	
Pass-through from WV Region XI			
302(a)(1) – 2007			24,194
302(a)(1) – 2008			<u>25,304</u>
Total CFDA #23.009			<u>49,498</u>
U.S. Environmental Protections			
EPA Administration Contract	66.818	33666	<u>125,163</u>
		GO BF97331701	
Total CFDA #66.818			<u>125,163</u>
Total Federal Awards			<u>\$528,155</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs financed by the U.S. Government for the year ended June 30, 2008. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.



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

To The Executive Committee
Brooke-Hancock-Jefferson
Metropolitan Planning Commission

We have audited the government-wide statement of net assets and statement of activities and the balance sheet – governmental fund, statement of revenues, expenditures, and changes in fund balance – governmental fund, reconciliation of the balance sheet of governmental fund to statement of net assets, and the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental fund to the statement of activities of Brooke-Hancock-Jefferson Metropolitan Planning Commission (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated April 8, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Brooke-Hancock-Jefferson Metropolitan Planning Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Brooke-Hancock-Jefferson Metropolitan Planning Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Brooke-Hancock-Jefferson Metropolitan Planning Commission's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brooke-Hancock-Jefferson Metropolitan Planning Commission's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

S. R. Smolgrass, A.C.

Steubenville, Ohio
April 8, 2009

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Executive Committee
Brooke-Hancock-Jefferson
Metropolitan Planning Commission

Compliance

We have audited the compliance of Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Brooke-Hancock-Jefferson Metropolitan Planning Commission's major federal program is identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Brooke-Hancock-Jefferson Metropolitan Planning Commission's management. Our responsibility is to express an opinion on Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance with those requirements.

In our opinion, Brooke-Hancock-Jefferson Metropolitan Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered BHJ's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

To the Executive Committee
Brooke-Hancock-Jefferson Metropolitan Planning Commission
Page 2

A *control deficiency* in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects BHI's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of federal program that is more than inconsequential will not be prevented or detected by the BHI's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the BHI's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within the organization, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Smolgrass, A.C.

Steubenville, Ohio
April 8, 2009

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 90,896	\$ -	\$ 90,896
Fringe benefits	57,389	-	57,389
Travel	1,500	-	1,500
Advertising	442	-	442
Rent	32,400	-	32,400
Audit and personal service contracts	4,000	12,000	16,000
Insurance	3,439	-	3,439
Telephone	5,186	-	5,186
Equipment costs	275	-	275
Supplies	4,442	-	4,442
Postage	4,550	-	4,550
Dues and publications	1,059	-	1,059
Other	<u>11,583</u>	<u>9,302</u>	<u>20,885</u>
 Total, Government-Wide Level	 <u>\$217,161</u>	 <u>\$21,302</u>	 \$238,463
 Less: Depreciation			 (9,815)
 Plus: Lease principal payments			 3,589
 Plus: Indirect capital asset additions			 <u>7,001</u>
 Total, Fund Level			 <u>\$239,238</u>

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	\$217,161	=	127.6998%
Direct Personnel Costs	\$170,056		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2008**

Salary benefits		\$ 43,569
Payroll benefits:		
Medicare	\$ 4,392	
Unemployment insurance	359	
Workers compensation	<u>1,042</u>	<u>5,793</u>
Other benefits:		
Health insurance	68,130	
Ohio PERS	<u>47,267</u>	<u>115,397</u>
Total fringe benefits		<u>\$164,759</u>

FRINGE BENEFIT RATE COMPUTATION

<u>TOTAL FRINGE BENEFITS</u>	<u>\$164,759</u>	
TOTAL PERSONNEL COSTS	\$260,951	= 63.1378%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

	Revenue Recorded				Expenditures				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Federal Highway Administration									
Highway Planning and Research									
Ohio Department of Transportation FY 08	\$149,005	\$ 18,624	\$18,623	\$186,252	\$ 60,473	\$ 38,181	\$ 10,374	\$ 77,224	\$186,252
WV Department of Transportation FY 08	102,325	12,752	12,752	127,829	41,151	25,982	8,764	52,549	128,446
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation FY 08	10,176	1,274	1,275	12,725	3,973	2,509	1,169	5,074	12,725
WV Department of Transportation FY 08	6,162	732	732	7,626	2,586	1,633	104	3,303	7,626
Ohio Special Transportation Planning									
Ohio Department of Transportation FY 08	10,277	-	-	10,277	-	-	10,277	-	10,277
Ohio Long Range Finance Element									
Ohio Department of Transportation	7,240	1,880	-	9,120	3,193	2,016	-	4,078	9,287
Appalachian Regional Commission:									
Appalachian Local Development District									
302(a)(1) 01/01/07 – 12/31/07	24,193	20,000	4,192	48,385	15,452	9,756	3,446	19,731	48,385
302(a)(1) 01/01/08 – 06/30/08	25,304	20,000	5,305	50,609	15,392	9,718	5,842	19,657	50,609
U.S. Environmental Protection									
EPA Administration Contract	125,163	-	12,041	137,204	9,429	5,953	110,040	12,041	137,463

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Revenue Recorded</u>				<u>Expenditures</u>				
	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>	<u>Personnel</u>	<u>Fringe Benefits</u>	<u>Other</u>	<u>Indirect</u>	<u>Total</u>
WV Division of Environmental Protection									
Brooke County Mahan Lane/Elders Ville Road	-	9,610	-	9,610	3,288	2,076	46	4,200	9,610
Brooke County Hammond/Lazier Lane	-	4,536	-	4,536	1,555	982	14	1,985	4,536
Hancock County Route 8 Sewer	-	8,866	-	8,866	3,042	1,920	20	3,884	8,866
Beech Bottom Water Project	-	9,255	-	9,255	3,177	2,006	14	4,056	9,253
Local Contracts and Projects									
Jefferson County Transit Study	68,310	-	12,696	81,006	5,629	3,555	67,510	7,187	83,881
New Cumberland Elevator	-	890	-	890	306	193	-	391	890
Weirton Transit Study	-	3,313	-	3,313	1,104	697	102	1,410	3,313
Toronto 5 th Street Project	-	1,511	-	1,511	306	193	620	391	1,511
TOTALS	<u>\$528,155</u>	<u>\$113,243</u>	<u>\$67,616</u>	<u>\$709,014</u>	<u>\$170,056</u>	<u>\$107,370</u>	<u>\$218,343</u>	<u>\$217,161</u>	<u>\$712,930</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2008**

BASIS OF PRESENTATION

The accompanying Schedule of Contract Revenues and Expenditures reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs for the year ended June 30, 2008. The Schedule has been prepared in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Mary Taylor, CPA
Auditor of State

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 30, 2009**