

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STEUBENVILLE, OHIO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
TOGETHER WITH AUDITOR'S REPORT  
AS OF JUNE 30, 2012**





# Dave Yost • Auditor of State

Executive Committee  
Brooke-Hancock-Jefferson Metropolitan Planning Commission  
124 North 4th Street  
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2011 through June 30, 2012. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 27, 2013

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**Brooke-Hancock-Jefferson  
Metropolitan Planning Commission  
AUDIT REPORT  
JUNE 30, 2012**

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**SNODGRASS**

CERTIFIED PUBLIC ACCOUNTANTS  
AND CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the government-wide activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission ("BHJ"), as of and for the year ended June 30, 2012, which collectively comprise the BHJ's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Brooke-Hancock-Jefferson Metropolitan 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 *Government Auditing Standards* issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BHJ's internal control over financial reporting. Accordingly, we express no such opinion. 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 government-wide activities and each major fund of BHJ as of June 30, 2012, 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 December 21, 2012, on our consideration of BHJ'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.



Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budget Comparison on pages 6 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BHJ's basic financial statements. The accompanying schedule of expenditures of federal awards included on pages 26 through 27 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. Such information is the responsibility of management and was derived from, and related 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 accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BHJ's basic financial statements. The accompanying Audited Rates, Indirect and Fringe Comparisons, Schedule of Agency Management Expenditures - Indirect Costs, Schedule of Fringe Benefits, and Schedule of Contract Revenue and Expenditures on pages 35 through 41 are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*S. R. Snodgrass, A.C.*

Wheeling, West Virginia  
December 21, 2012



**BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION  
MANAGEMENT DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

**The Purpose of the Management Discussion and Analysis (MD&A)**

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, 2012. This audit is a one-year snap shot of BHJ's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture.

For the purpose of doing business in West Virginia, the Agency contracts under the name of the Brooke-Hancock Regional Planning and Development Council (BH). Audit report information is a comprehensive picture of the entire agency.

According to the U. S. Federal Accounting Standards Board (*Statement of Recommendations: Accounting Standard #15. April 1999*), the federal mandate for a 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."*

**Performance**

BHJ continues to sustain a strong and fiscally accountable agency. Over the last 4 fiscal years, we have been fortunate to maintain and expand our program and revenue stream while the fringe/indirect rate structure has remained steady.

BHJ was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. Approximately 79 percent of BHJ's revenue is generated through federal and state grants. In 2012, 44 percent of funds were allocated to transportation, 20 percent were allocated to economic development programs, and 17 percent were distributed to environmental protection programs.

**Financial Statement and System Control Statement**

- 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.

**BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

**Financial Statement and System Control Statement (Continued)**

- 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 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 11 to FY 12 Comparisons**

- Total net year 2012 assets (i.e., total assets minus total liabilities) increase 61% from 2011.
- Over the last 5 years, the audit year 2012 ranked as the largest accumulated Net Asset year. The low Net Asset year was 2009.
- Revenue in 2012 increased \$148,546 over the previous year. The change was largely due to an \$86,000 increase in the regional Brownfield Program and an \$87,000 increase in transportation programs.
- Expenses in 2012, driven by the above revenue generation, increased 8 percent.
- When compared to 2011, Indirect Costs in 2012 declined 3 percent, while fringe costs increased 5 percent. The largest indirect category, that is "personnel cost", declined 2 percent during this period.
- 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**

There was no long-term debt at June 30, 2012. Under Ohio Revised Code, BHJ does not have the authority to incur debt; however, BHJ may enter into capital leases.

**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 4<sup>th</sup> Street, Steubenville, Ohio 43952).

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION**  
**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2012**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 121,264</b>	<b>\$ 94,310</b>	<b>\$ 107,798</b>	<b>\$ 105,392</b>	<b>\$ 170,589</b>
<b>Assets</b>					
Cash in bank/on hand	\$ 103,014	\$ 45,089	\$ 84,037	\$ 72,477	\$ 29,912
Accounts receivable	9,135	18,270	19,312	19,312	21,351
Grants receivable	69,559	88,427	139,715	107,165	161,209
Property/equipment	23,722	29,490	27,738	16,810	15,005
Prepays	-	-	-	8,391	9,806
Total assets	<u>\$ 205,430</u>	<u>\$ 181,276</u>	<u>\$ 270,802</u>	<u>\$ 224,155</u>	<u>\$ 237,283</u>
<b>Liabilities</b>					
Accounts payable	\$ 26,260	\$ 17,530	\$ 50,439	\$ 45,514	\$ 32,665
Lease payable	1,495	13,698	10,978	8,084	5,003
Accrued/withheld benefits	1,093	15,455	26,554	8,239	2,444
Accrued payroll	12,873	14,526	17,996	5,285	6,215
Accrued/withheld taxes	1,979	6,609	8,670	913	3,083
Due to grantors	21,577	14,022	14,022	15,621	1,754
Deferred revenue	18,889	5,126	34,345	35,107	15,530
Total liabilities	<u>\$ 84,166</u>	<u>\$ 86,966</u>	<u>\$ 163,004</u>	<u>\$ 118,763</u>	<u>\$ 66,694</u>
<b>Revenue</b>					
Federal grants/projects	\$ 528,155	\$ 406,781	\$ 485,093	\$ 644,725	\$ 742,162
State/local assistance	75,262	119,100	176,063	165,110	218,185
Per capita dues	104,280	104,121	105,847	106,612	104,734
Other	57,958	20,686	3,320	88	-
Total revenues	<u>\$ 765,655</u>	<u>\$ 650,688</u>	<u>\$ 770,323</u>	<u>\$ 916,535</u>	<u>\$ 1,065,081</u>
<b>Expenditures</b>					
Transportation Planning	\$ 340,569	\$ 406,335	\$ 450,707	\$ 503,951	\$ 440,445
Economic Development	-	65,696	107,498	90,724	197,009
Transit Studies	109,472	58,645	53,388	46,335	54,774
Community Development	103,153	105,336	98,694	94,215	130,798
Environmental Protection	174,180	41,634	46,548	183,716	176,858
Total expenditures	<u>\$ 727,374</u>	<u>\$ 677,646</u>	<u>\$ 756,835</u>	<u>\$ 918,941</u>	<u>\$ 999,884</u>

Source: BHJ Annual Audits

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION  
BUDGET COMPARISON  
FOR THE YEAR ENDING JUNE 30, 2012**

	Budget FY 2012	Actual FY 2012	Difference (Over) Under Budget
<b>WAGES PAID FOR TIME WORKED</b>			
Direct labor	\$ 209,861	\$ 191,693	\$ 18,168
Indirect labor	79,422	94,205	(14,783)
	<u>289,283</u>	<u>285,898</u>	<u>3,385</u>
<b>TOTAL LABOR - BASE FOR FRINGE ALLOCATION</b>	<u>\$ 289,283</u>	<u>\$ 285,898</u>	<u>\$ 3,385</u>
<b>FRINGE BENEFITS</b>			
Wages:			
Holiday	\$ 15,851	\$ 14,463	\$ 1,388
Sick leave	5,846	6,631	(785)
Vacation	22,535	23,669	(1,134)
Total fringe benefits-wages	<u>44,232</u>	<u>44,763</u>	<u>(531)</u>
Other fringe benefits:			
PERS	52,129	46,016	6,113
Hospitalization	98,447	101,631	(3,184)
Medicare	4,938	5,422	(484)
Workers' Compensation	1,715	1,268	447
Employment services	500	564	(64)
Other	-	1,322	(1,322)
Total other fringe benefits	<u>157,729</u>	<u>156,223</u>	<u>1,506</u>
<b>TOTAL FRINGE BENEFITS</b>	<u>\$ 201,961</u>	<u>\$ 200,986</u>	<u>\$ 975</u>
<b>INDIRECT COSTS</b>			
Salaries - indirect only	\$ 79,422	\$ 94,205	\$ (14,783)
Fringe benefits for indirect salaries	55,448	66,226	(10,778)
Advertising	200	1,126	(926)
Finance consulting/audit	1,500	13,849	(12,349)
Depreciation	6,800	5,621	1,179
Equipment expense	1,000	-	1,000
Insurance/bonds	2,800	2,948	(148)
Legal service	1,000	400	600
Memberships and subscriptions	400	1,685	(1,285)
Miscellaneous	1,500	1,404	96
Photocopy and printing	2,200	782	1,418
Postage	4,000	3,390	610
Publications and printing	300	434	(134)
Rent	33,000	32,102	898
Software/technical support	1,500	1,307	193
Supplies	7,000	6,973	27
Telephone	4,000	3,448	552
Travel	700	263	437
Audit adjustment	-	(8,071)	8,071
<b>TOTAL INDIRECT COSTS</b>	<u>\$ 202,770</u>	<u>\$ 228,092</u>	<u>\$ (25,322)</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATEMENT OF NET ASSETS  
JUNE 30, 2012**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 29,912
Accounts receivable	21,351
Grants and contributions receivable	161,209
Prepays	9,806
Total current assets	222,278

**CAPITAL ASSETS**

Property, plant, and equipment, net of accumulated depreciation	15,005
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**TOTAL ASSETS**

**\$ 237,283**

**LIABILITIES**

**CURRENT LIABILITIES**

Accounts payable	\$ 32,665
Accrued payroll	6,215
Accrued and withheld payroll taxes	3,083
Accrued and withheld employee benefits	2,444
Due to grantors	1,754
Deferred revenue	15,530
Capital lease obligation – current	3,281
	64,972

**LONG-TERM LIABILITIES**

Capital lease obligation – long-term	1,722
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Total liabilities

66,694

**NET ASSETS**

Investments in capital assets, net of related debt	11,724
Unrestricted	158,865
Total net assets	170,589

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 237,283**

The accompanying notes are an integral part of these statements.



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

FUNCTIONS/PROGRAMS	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Government- Wide Activities
<b>PRIMARY GOVERNMENT-WIDE</b>				
Transportation planning	\$ 312,800	\$ 127,645	\$ 423,635	\$ (16,810)
Transit studies and capital planning	32,862	21,912	46,513	(8,262)
Community development projects	84,117	46,681	49,797	(81,001)
Environmental protection projects	160,124	16,734	185,791	8,933
Economic development projects	182,038	14,971	218,131	21,122
Total Primary Government-Wide	\$ 771,942	\$ 227,942	\$ 923,867	(76,017)
<b>GENERAL GOVERNMENT-WIDE REVENUES</b>				
Per Capita revenues				104,734
West Virginia Development Office				36,480
Total General Government-Wide Revenues				141,214
<b>CHANGES IN NET ASSETS</b>				
				65,197
<b>NET ASSETS, BEGINNING OF YEAR</b>				
				105,392
<b>NET ASSETS, END OF YEAR</b>				
				\$ 170,589

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



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2012**

	<b>General Fund</b>
<b>CURRENT ASSETS</b>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 29,912
Accounts receivable	21,351
Grants receivable	161,209
Prepays	9,806
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 222,278</b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 32,665
Accrued and withheld employee benefits	2,444
Accrued payroll	6,215
Accrued and withheld payroll taxes	3,083
Due to grantors	1,754
Deferred revenue	15,530
Total liabilities	61,691
<b>FUND BALANCE</b>	
Fund balance – unrestricted	160,587
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 222,278</b>

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

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
RECONCILIATION OF GENERAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENT-WIDE AGENCY  
JUNE 30, 2012**

General Fund Balance	\$ 160,587
Amounts reported for government-wide activities in the statement of net assets are different because:	
Capital assets of \$106,338 net of accumulated depreciation of \$91,333 are not financial resources and, therefore, are not reported in the fund.	15,005
Long-term liabilities are not due and payable and are reported in the fund.	<u>(5,003)</u>
Net Assets of Government-wide Agency	<u><u>\$ 170,589</u></u>

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

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund
<b>REVENUES</b>	
Federal grants and projects	\$ 742,162
State financial assistance	51,830
Per capita dues	104,734
Local assistance	166,356
Total revenues	1,065,081
 <b>EXPENDITURES</b>	
Transportation planning	442,333
Transit studies and capital planning	54,637
Community development projects	131,280
Environmental protection projects	176,405
Economic development projects	196,505
Total expenditures	1,001,160
<b>NET CHANGES IN FUND BALANCE</b>	63,921
<b>GENERAL FUND BALANCE, BEGINNING</b>	96,666
<b>GENERAL FUND BALANCE, ENDING</b>	\$ 160,587

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 -**  
**GENERAL FUND TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2012**

Net Change in Fund Balances - General Fund	\$ 63,921
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Amounts reported for Government-Wide Agency in the statement of activities are different because:

General agency funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-Wide Agency.

This is the amount by which depreciation of \$9,090 exceeded capital outlays of \$7,285 in the current period.	(1,805)
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General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.	<u>3,081</u>
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Change in Net Assets of Government-Wide Agency	<u><u>\$ 65,197</u></u>
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The accompanying notes are an integral part of these financial statements.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

In a prior reporting period, 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 agency 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 Agency 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 are 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 (CONTINUED)  
JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, BHJ considers revenues to be available, if they are collected within 90 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:

General Fund

The Government-Wide Agency – The Government-wide Agency 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 (CONTINUED)  
JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 3) 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 government 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 limitations 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 statutes 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 30 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 (CONTINUED)  
JUNE 30, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 percent 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 5 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 percent 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.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2012:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
PNC Bank	\$ 70,872	\$ 29,812
Petty cash	<u>-</u>	<u>100</u>
Total cash deposits and cash on hand	<u>\$ 70,872</u>	<u>\$ 29,912</u>

BHJ's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2012, BHJ's balances were not in excess of the FDIC prescribed insured limits.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in capital assets for the fiscal year ended June 30, 2012, is as follows:

**Government-wide Activities:**

Equipment	
Balance of July 1, 2011	\$ 99,053
Additions	7,285
Balance June 30, 2012	<u>106,338</u>
Accumulated Depreciation	
Prior Years	(82,243)
Current Year	<u>(9,090)</u>
Balance June 30, 2012	<u>(91,333)</u>
Net Capital Assets June 30, 2012	<u>\$ 15,005</u>

Direct and In-direct depreciation expense for the period ending June 30, 2012, included in the Government-wide expenditures consists of the following:

Transportation planning	\$ 5,831
Transit studies and capital planning	305
Community development projects	837
Environmental protection projects	1,001
Economic development projects	<u>1,116</u>
Total	<u>\$ 9,090</u>

**NOTE 4 - DUE TO GRANTORS**

Due to grantors of \$1,754 is comprised of amounts due to the following governmental entities at June 30, 2012:

U. S. Department of Commerce – ARC 2005	<u>\$ 1,754</u>
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**NOTE 5 - DEFERRED REVENUE**

Deferred Revenue represents monies advanced to BHI from local governments:

WV ARC	\$ 12,407
Local Per-Capita Revenues	<u>3,123</u>
Total deferred revenue	<u>\$ 15,530</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 6 - GRANTS RECEIVABLE**

Grants receivable of \$161,209 is comprised of amounts due from the following governmental entities at June 30, 2012:

WV Department of Transportation – FHWA (Federal)	\$ 28,756
WV Department of Transportation – FHWA (State)	3,600
WV Department of Transportation – FTA Section 8 (Federal)	5,767
WV Department of Transportation – FTA Section 8 (State)	721
Ohio Department of Transportation – FHWA (Federal)	31,674
Ohio Department of Transportation – FHWA (State)	3,959
Ohio Department of Transportation – FTA Section 8 (Federal)	2,811
Ohio Department of Transportation – FTA Section 8 (State)	352
Ohio Rideshare	18,016
Weirton Transit Administration	<u>1,167</u>
Total transportation	<u>96,823</u>
WV Energy Grants	16,133
EPA Petroleum/Hazardous	20,947
EPA Brooke County - Mahan Lane	5,347
Beech Bottom Water Project	13,810
Oakland PSD	6,015
Other receivables	<u>2,134</u>
Total other	<u>64,386</u>
<b>Total grants receivable</b>	<b><u>\$ 161,209</u></b>

**NOTE 7 - CAPITAL LEASE OBLIGATIONS**

Capital lease obligations at June 30, 2012, of \$5,003 consist of the following:

Dollar Leasing Corporation (Copier) \$14,995.00  
6.28% interest rate, 60 monthly payments beginning  
January 31, 2009, for \$291.80.

Maturity of obligation over next 2 years:

2013	\$ 3,281
2014	<u>1,722</u>
Total	<b><u>\$ 5,003</u></b>

BHJ paid interest expense of \$420 on the capital lease obligation for fiscal year ending June 30, 2012.



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 8 - LINE OF CREDIT**

BHJ entered into a \$10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2012. There were no draws or payments associated with this loan during the fiscal year, except for \$150 annual renewal fee. No balance was outstanding at fiscal year end.

**NOTE 9 - DEFINED BENEFIT PENSION PLAN**

All of BHJ's full-time employees participate in a cost sharing, multiple employer defined benefit pension plan (Traditional Plan) administered by the Ohio Public Employees Retirement System.

**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*.

- A. Ohio Public Employee Retirement System (OPERS) administers three separate pension plans as described below:
1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.
  2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years At 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any invest earnings.
  3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invest employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)**

- E. The Ohio Revised Code provides statutory authority for member and employer contributions. The 2010 member contribution rates were 10.00 percent for members and the employer contribution rate was 14.00 percent 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 percent with plan members contributing 8.15 percent of covered payroll. BHJ's required contribution for the periods ended June 30, 2012, 2011, and 2010, were \$34,199, \$39,905, and \$34,785, respectively.
- F. Total required employer contributions for all plans are equal to 100 percent of employer charges and should be extracted from the employer's records.

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

**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. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*.

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. 45.

**A. Plan Description**

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

OPERS maintains a cost-sharing employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.



**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

**B. Funding Policy**

The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.00 percent of covered payroll. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units. Active members do not make contributions to the OPEB Plan. BJJ's required contribution for the periods ended June 30, 2012, 2011, and 2010, were \$11,817, \$13,760, and \$16,393, respectively.

OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2011 (the latest information available), the employer contribution allocated to the health care plan was 4.0% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

**C. OPERS Retirement Board Implements its Health Care Preservation Plan**

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. These rate increases allowed additional funds to be allocated to the health care plan.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**

**NOTE 11 - 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, 2012, 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.

**NOTE 12 - 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 3 years, and there has been no significant reduction in insurance coverage from coverage in prior years.

**NOTE 13 – ECONOMIC DEPENDENCY**

Approximately 44 percent of BHJ's revenue is from the Federal and State Departments of Transportation and Planning Grants.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Agency or CFDA Number</u>	<u>Direct or Pass-through Number</u>	<u>Expenditures</u>
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Highway Planning and Construction	20.205		
Pass-through from Ohio Department of Transportation			
Highway Planning & Construction		DOTC 134572	\$ 159,494
Transit Technical Studies – FTA Section 8		DOTC 134572	20,707
Rideshare Green – CMAQ – 2012		DOTC 516645	89,803
Rideshare Green – CMAQ – 2013		DOTC 519774	12,546
Pass-through from West Virginia Department of Transportation			
Highway Planning & Construction		OL 603	108,869
Transit Technical Studies – FTA Section 8		OL 603	20,495
Pass-through from City of Weirton Weirton Transit Administration		WV-90-X162-00	3,777
Total CFDA #20.205			<u>415,691</u>
<b>TOTAL U. S. DEPARTMENT OF TRANSPORTATION</b>			<u>415,691</u>
<b>APPALACHIAN REGIONAL COMMISSION</b>			
Appalachian Local Development District Assistance	23.009		
Pass-through from WV Region XI			
ARC Administrative – 2012		WV-2436-C39	28,513
ARC Administrative – 2011		WV-2436-C38	31,016
Total CFDA #23.009			<u>59,529</u>
<b>TOTAL APPALACHIAN REGIONAL COMMISSION</b>			<u>59,529</u>
<b>U. S. ENVIRONMENTAL PROTECTIONS</b>			
Brownsfield Assessment and Clean-up Agreements-ARRA	66.818		
Direct Recipient			
EPA Petroleum – Administration Contract		BF97384901	71,408
EPA Hazardous Materials – Administrative Contract		BF97384801	75,179
Total CFDA #66.818			<u>146,587</u>
Construction Grants for Wastewater Treatment	66.418		
Pass-through from the WV DEP – Brooke County PSD			
Mahan/Eldersville Sewer Phase I		XP-98355901-0	5,943
Total CFDA #66.418			<u>5,943</u>
Surveys, Studies, Investigations, and Special Purpose Grants	66.610		
Pass-through from the City of Wellsburg			
Wellsburg Sewer		XP-98399701-1	1,031
Total CFDA #66.610			<u>1,031</u>
<b>TOTAL U. S. ENVIRONMENTAL PROTECTIONS</b>			<u>153,561</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Agency or CFDA Number</u>	<u>Direct or Pass-through Number</u>	<u>Expenditures</u>
<b>U. S. DEPARTMENT OF ENERGY</b>			
Energy Efficiency and Conservation Block Grant Program-ARRA	81.128		
Pass-through from WV Division of Energy			
WV Energy Grant		10-183	9,405
Total CFDA #81.128			<u>9,405</u>
<b>TOTAL U. S. DEPARTMENT OF ENERGY</b>			<u>9,405</u>
<b>U. S. DEPARTMENT OF COMMERCE</b>			
Economic Development - Support for Planning Organizations	11.302		
Pass-through from the WV EDA Region XI			
West Virginia Economic Development		01-83-08921-01	62,781
Total CFDA #11.302			<u>62,781</u>
<b>TOTAL U. S. DEPARTMENT OF COMMERCE</b>			<u>62,781</u>
<b>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Community Development Block Grant	14.219		
Pass-through from WV Development Office/ Brooke County Commission			
Mahan/Eldersville Sewer Phase II		B-07-DC-54-0001	1,068
Total CFDA #14.219			<u>1,068</u>
<b>TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>1,068</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 702,035</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012**

**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, 2012. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

Programs containing the "ARRA" designation have been funded through the American Recovery and Reinvestment Act of 2009.



**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 as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. 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 deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. *A material weakness* is a deficiency, or combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. Snodgrass, A.C.*

Wheeling, West Virginia  
December 21, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, 2012. 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*. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## 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 and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, 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.

*A 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 material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, 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. Snodgrass, A. C.*

Wheeling, West Virginia  
December 21, 2012





**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATUS OF PRIOR AUDIT FINDINGS  
JUNE 30, 2012**

None



**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION**  
**AUDITED RATES**  
**AUDITED FRINGE, INDIRECT, AND COMBINED RATE 1998 TO 2012**

<u>Year</u>	<u>Fringe Rate</u>	<u>Indirect Rate</u>	<u>Combined Rate</u>	<u>Annual Change</u>
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	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	1.3803	2.1356	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.6620	1.1954	1.8574	-27%
2008	0.6314	1.2770	1.9084	3%
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	-11%
2012	0.7030	1.1899	1.8929	1%
2013 Projected	0.7104	1.3044	2.0148	6%

Source: BJH Annual Audit Reports. 1998 - 2012 and BHJ Budget and Overall Work Program 2013.

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANING COMMISSION  
INDIRECT AND FRINGE COMPARISON 2011 TO 2012  
INDIRECT COSTS**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>Change</u>	<u>Percent of Change</u>
<b>TOTAL INDIRECT COSTS</b>	\$ 230,403	\$ 228,092	\$ (2,311)	(1.00)
Personnel	96,268	94,205	(2,063)	(2.14)
Travel	297	263	(34)	(11.45)
Fringe benefits	62,805	66,226	3,421	5.45
Advertising	557	1,126	569	102.15
Rent	33,898	32,102	(1,796)	(5.30)
Audit/Personal Service Contract	12,963	13,849	886	6.83
Insurance	3,126	2,948	(178)	(5.69)
Telephone	3,433	3,448	15	0.44
Equipment cost	3,869	5,621	1,752	45.28
Supplies	7,105	6,973	(132)	(1.86)
Postage	3,253	3,390	137	4.21
Dues and publications	1,371	434	(937)	(68.34)
Other	285	(2,493)	(2,778)	(974.74)
<b>INDIRECT COST RATE</b>	1.219	1.190	(0.029)	(2.39)
<b>TOTAL FRINGE BENEFITS</b>	\$ 186,158	\$ 200,986	14,828	7.97
Salary benefits	48,617	44,763	(3,854)	(7.93)
Payroll benefits	6,431	8,576	2,145	33.35
Health insurance	77,445	101,631	24,186	31.23
Ohio PERS	53,665	46,016	(7,649)	(14.25)
<b>FRINGE BENEFIT RATE</b>	0.652	0.703	0.051	7.82

Source: BHJ Annual Audits.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES  
INDIRECT COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 94,205	\$ 129	\$ 94,334
Fringe benefits	66,226	91	66,317
Travel	263	-	263
Advertising	1,126	-	1,126
Rent	32,102	-	32,102
Audit and personal service contracts	14,249	-	14,249
Insurance	2,948	-	2,948
Telephone	3,448	-	3,448
Equipment costs	5,621	-	5,621
Supplies	7,755	-	7,755
Postage	3,390	-	3,390
Dues and publications	2,119	-	2,119
Other	<u>(5,359)</u>	<u>11,363</u>	<u>6,004</u>
 Total, Government-Wide Level	 <u>\$ 228,093</u>	 <u>\$ 11,583</u>	 239,676
 Depreciation			(9,090)
Lease principal payments			3,082
Indirect capital asset additions			<u>(7,285)</u>
 Total, Fund Level			 <u>\$ 226,383</u>

**INDIRECT COST RATE COMPUTATION**

<u>Total Indirect Costs</u>	\$ 228,093	=	118.99%
Direct Personnel Costs	<u>\$ 191,693</u>		

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF FRINGE BENEFITS  
FOR THE YEAR ENDED JUNE 30, 2012**

<b>SALARY BENEFITS</b>		\$ 44,763
<b>PAYROLL BENEFITS</b>		
Medicare	\$ 5,421	
Unemployment insurance	564	
Worker's Compensation	1,268	
Total payroll benefits		7,253
<b>OTHER BENEFITS</b>		
Health insurance	\$ 101,631	
Ohio PERS	47,338	
Total other benefits		148,969
Total fringe benefits		\$ 200,985

**FRINGE BENEFIT RATE COMPUTATION**

<u>TOTAL FRINGE BENEFITS</u>	<u>\$ 200,985</u>	=	70.30%
<u>TOTAL PERSONNEL COSTS</u>	<u>\$ 285,898</u>		

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

	REVENUE RECORDED				EXPENDITURES					
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total	
<b>Federal Highway Administration</b>										
Highway Planning and Construction	\$ 86,077	\$ 10,735	\$ 10,735	\$ 107,547	\$ 29,893	\$ 21,015	\$ 6,154	\$ 35,570	\$ 92,632	
Ohio Department of Transportation	51,242	6,538	6,538	64,318	16,905	11,884	4,232	20,116	53,137	
WV Department of Transportation	25,939	3,243	3,246	32,428	11,419	8,028	1,958	13,588	34,993	
Short Range	16,873	2,110	2,111	21,094	6,975	4,094	3,316	8,300	22,685	
TIP	42,924	5,366	5,371	53,661	19,590	13,772	5,195	23,310	61,867	
Surveillance	4,406	-	-	4,406	1,240	871	191	1,475	3,777	
Weirton Transit Administration										
<b>Ohio Long Range Finance Element</b>										
Ohio Department of Transportation	46,343	5,794	5,799	57,936	20,057	14,100	4,500	23,866	62,523	
<b>Ohio Rideshare</b>										
Ohio Department of Transportation	116,044	-	-	116,044	1,194	839	98,895	1,421	102,349	
<b>Federal Transit Administration</b>										
Transit Technical Studies: FTA Section 8										
Ohio Department of Transportation	20,707	2,590	2,590	25,887	9,115	6,408	221	10,846	26,590	
WV Department of Transportation	20,495	2,721	2,721	25,937	9,300	6,538	167	11,067	27,072	
<b>Appalachian Regional Commission</b>										
Appalachian Local Development District										
302(a)(1) 0701/11 - 12/31/11	12,407	-	12,407	24,814	19,100	13,334	8,381	18,455	59,270	
302(a)(1) 01/01/12 - 06/30/12	24,813	-	24,814	49,627	16,889	11,966	6,520	24,369	59,744	
<b>Local Projects and Programs</b>										
New Cumberland Elevator	-	554	-	554	-	-	-	-	-	
<b>U. S. Department of Energy</b>										
Energy Efficiency and Conservation										
Block Grant Program-ARRA										
WV Energy Grant	12,023	-	-	12,023	3,242	2,279	26	3,858	9,405	
<b>U. S. Department of Commerce</b>										
Partnership Planning Program										
WV Economic Development	105,255	-	112,876	218,131	12,581	8,845	159,852	14,971	196,249	



BROOKE-HANCOCK-JEFFERSON  
 METROPOLITAN PLANNING COMMISSION  
 SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)  
 FOR THE YEAR ENDED JUNE 30, 2012

	REVENUE RECORDED				EXPENDITURES					
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total	
<b>U. S. Environmental Protection</b>										
EPA Petroleum	71,408	-	-	71,408	4,105	2,886	62,038	4,884	73,913	
EPA Hazardous	77,057	-	-	77,057	2,469	1,736	68,036	2,938	75,179	
TS&T Focus - Chester Phase I	-	-	-	-	-	-	4,997	-	4,997	
TS&T Focus - Chester Phase II	-	-	12,000	12,000	-	-	106	-	106	
<b>WV Division of Environmental Protection</b>										
Oakland PSD	-	6,412	-	6,412	2,230	1,568	-	2,654	6,452	
Mahan Lane Phase I	5,943	-	-	5,943	2,174	1,528	-	2,587	6,289	
Mahan Lane Phase II	1,068	-	-	1,068	486	342	12	579	1,419	
Wellsburg Sewer	1,138	1,138	-	2,275	648	456	-	772	1,876	
Wellsburg Water	-	3,283	-	3,283	1,306	918	-	1,555	3,779	
Weirton Sewer	-	940	-	940	372	261	-	443	1,076	
Weirton Water	-	406	-	406	172	121	-	204	497	
Brooke Glass Mini-Grant	-	-	5,000	5,000	100	70	136	119	425	
<b>TOTALS</b>	<b>\$ 742,162</b>	<b>\$ 51,830</b>	<b>\$ 206,208</b>	<b>\$ 1,000,199</b>	<b>\$ 191,562</b>	<b>\$ 133,859</b>	<b>\$ 434,933</b>	<b>\$ 227,947</b>	<b>\$ 988,301</b>	

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

**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, 2012. 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.



# Dave Yost • 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  
MARCH 12, 2013**