313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

PERRY & Associates
Certified Public Accountants, A.C.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION JEFFERSON COUNTY

Regular Audit

For the Year Ended June 30, 2017

www.perrycpas.com

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 4th Street, 2nd Floor
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2016 through June 30, 2017. 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.

Dave Yost
Auditor of State

February 15, 2018

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BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

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INDEPENDENT AUDITOR'S REPORT

December 22, 2017

Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 4th Street, 2nd Floor
Steubenville, OH 43952

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of **Brooke-Hancock-Jefferson Metropolitan Planning Commission,** Jefferson County, Ohio (the Commission), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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 the major fund of the Brooke-Hancock-Jefferson Metropolitan Park Commission, Jefferson County, Ohio, as of June 30, 2017, and the respective changes in its financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Commission's basic financial statements taken as a whole.

The following supplemental information: Budget Comparison, Schedule of Rates-Fringe, Indirect & Combined Rates, Schedule of Indirect and Fringe Comparison 2016 and 2017 – Indirect Costs, Schedule of Agency Management Expenditures-Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures, and Note to Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

We did not subject the Budget Comparison, Schedule of Rates-Fringe, Indirect & Combined Rates, Schedule of Indirect and Fringe Comparison 2016 and 2017 – Indirect Costs, Schedule of Agency Management Expenditures-Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures, and Note to Schedule of Contract Revenues and Expenditures, to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017, on our consideration of the 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

Performance

Brooke-Hancock-Jefferson Metropolitan Planning Commission, (the Commission) continues to sustain a strong and fiscally accountable agency. We have been fortunate to maintain and target our programs while sustaining a healthy revenue stream. In addition, our fringe/indirect rate structure has remained steady.

The Commission 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. In 2017, 76% of the Commission's revenues were generated through federal and state grants. In 2017, 67% of those funds were allocated to transportation; 19% allocated to economic development and 14% to community development.

Fundamental Principles of the Financial Audit Statement

- The Commission'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 position statement presents information on all the Commission assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving and deteriorating.
- Statements of Revenues, Expenditures, and Changes in Fund Balances are operational measures. They provide a guideline to determine whether the Commission successfully recovered all of its cost through federal, state and local government and contracts, members' per capita fees and other contributions and revenues.

Financial Highlights FY 16 to FY 17 Comparisons

- Total net 2017 position (i.e., total assets minus total liabilities) increased 33.8% from 2016.
- Over the last five years, the audit year 2015 ranked as the lowest accumulated Net Position year. The highest Net Position year was 2012. If not for the recording of GASB68, Fiscal Year 2017 would have had the highest net position in the amount of $215,086.
- Revenue in 2017 decreased $104,667 over the previous year. The change was largely due to West Virginia Sewer and Water Protection and Waste Water Management Programs.
- Expenses in 2017, driven by the above revenue generation, decreased 16%.
- Actual Indirect Costs in 2017 were 7% lower when compared to 2016 thereby reducing the indirect cost rate by 2.42%. Total Fringe Benefits were $1,457 higher in 2017 amounting to a .70% increase in expense from the previous year.

Long Term Debt

There was no long-term debt at the end of the fiscal year, June 30, 2017. Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

Net Pension Liability

During 2015, the Commission adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Commission's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the Commission's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Commission is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Net Pension Liability (Continued)

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

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

As a result of implementing GASB 68, the Commission is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Capital Assets

Computers, Office Furniture, Copiers and Traffic Count Equipment	
Balance of July 1, 2016	$ 97,984
Additions- conference table, computer	2,930
Balance June 30, 2017	100,914
Accumulated Depreciation	
Balance of July 1, 2016	(72,725)
Current Year - depreciation expense	(7,659)
Balance June 30, 2017	(83,384)
Net Capital Assets June 30, 2017	$ 17,530

Budgets

Annually, the Commissions' finance department prepares a budget for the general fund and its' oversight agency. The oversight agency uses the budget to calculate provisional fringe and indirect cost rates for the fiscal year. The budget is reviewed and approved by both the Commission and the oversight agency. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee. The Commission is not required by Ohio Revised Code to budget, however, the board approves a budget prepared by the financial director to guide them.

General Fund

The Commission has only one major fund – the General Fund. Information on the General Fund begins on page 12. The General Fund had total revenues of $796,290 and total expenditures of $784,803. The fund balance increased by $11,487.

BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED

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

Anyone who has ever looked at an annual report, a 10-K or a 10-Q has undoubtedly noticed that there are pages and pages of text -- the filings aren't just financial statements. Part of this text is the MD&A, and its intent is to explain portions of detailed financial statements. That is, the MD&A is a simplified report of Brooke-Hancock Jefferson Metropolitan Planning Commission's Statement of Net Position, Revenues and Expenditures for the year ended June 30, 2017. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

This audit is a one-year snap shot of Brooke-Hancock-Jefferson Metropolitan Planning Commission's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture. According to the US Federal Accounting Standards Board (*Statement of Recommendations: Accounting Standard #15. April 199),* the federal standard 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."*

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

Contacting Brooke-Hancock-Jefferson Metropolitan Planning Commission

This financial report is designed to provide members, grantors, federal and state oversight agencies and interested citizens of Brooke and Hancock counties, WV and Jefferson County, OH with a general overview of Commission's finances and accountability for monies received. Additional financial information may be obtained by contacting the Commission's Finance Manager (124 North 4th Street. Steubenville, Ohio 43952).

BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED

STATEMENT OF NET POSITION

	2016	2017	Change
Assets			
Current and Other Assets	$ 258,966	$ 248,143	$ (10,823)
Capital Asset, net	22,259	17,530	(4,729)
Total Assets	281,225	265,673	(15,552)
Deferred Outflow of Resources			
Pension	147,028	140,481	(6,547)
Total Deferred Outflow of Resources	147,028	140,481	(6,547)
Liabilities			
Current and Other Liabilities	58,090	39,760	(18,330)
Long Term Liabilities:			
Due in More Than One Year			
Copier Lease	10,213	7,225	(2,988)
Net pension liability	430,414	315,269	(115,145)
Total Liabilities	498,717	362,254	(136,463)
Deferred Inflows of Resources			
Pension	42,846	120,333	77,487
Deferred Revenues	7,582	3,602	(3,980)
Total Deferred Inflows of Resources	50,428	123,935	73,507
Net Position			
Net Investment in Capital Assets	9,057	7,317	(1,740)
Unrestricted	(129,949)	(87,352)	42,597
Total Net Position	$ (120,892)	$ (80,035)	$ 40,857

BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED

CHANGES IN NET POSITION

	2016	2017	Change
Revenue			
Program Revenue			
Operating Grants and Contributions	$ 659,491	$ 571,475	$ (88,016)
General Revenues			
Per capita dues	104,935	104,135	(800)
Administrative Revenues	34,758	45,138	10,380
West Virginia Development Office	33,744	31,363	(2,381)
Miscellaneous	68,029	44,179	(23,850)
Total Revenues	900,957	796,290	(104,667)
Expenses			
Trans. Planning	515,945	479,398	(36,547)
Economic development	170,653	136,574	(34,079)
Transit studies	12,573	5,012	(7,561)
Comm. Development	89,208	99,788	10,580
Environmental Protection	106,455	34,661	(71,794)
Total Expenses	894,834	755,433	(139,401)
Changes in Net Position	6,123	40,857	34,734
Beginning Net Position	(127,015)	(120,892)	6,123
Ending Net Position	$ (120,892)	$ (80,035)	$ 40,857

FUNCTIONAL EXPENSES

	Total Cost of Servies		Net Cost of Servies	
	2016	2017	2016	2017
Programs				
Transportation Planning	$ 515,945	$ 479,398	$ (52,818)	$ (32,952)
Transit Studies	12,573	5,012	(1,586)	(389)
Community Development	89,208	99,788	(42,940)	(49,382)
Environmental Protection	106,455	34,661	(106,455)	(34,661)
Economic Development	170,653	136,574	(100,653)	(66,574)
Total Expenses	$ 894,834	$ 755,433	$ (304,452)	$ (183,958)

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
June 30, 2017

Government-wide Activities

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	107,681
Accounts receivable		57,425
Grants receivable		68,828
Prepaids		14,209
CAPITAL ASSETS		
Property, plant, and equipment, net of accumulated depreciation		17,530
Total assets		265,673
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - pension		140,481
Total deferred outflows of resources		
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	$	406,154
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	$	21,691
Accrued payroll		12,365
Accrued and withheld payroll taxes		179
Accrued and withheld employee benefits		1,907
Due to Grantor		629
Copier lease		2,989
Total current liabilities		39,760
LONG-TERM LIABILITIES		
Net pension liability		315,269
Copier lease		7,225
Total long-term liabilities		322,494
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - pension		120,333
Deferred inflows of resources - grants not available		3,602
Total deferred inflows of resources		123,935
TOTAL LIABILITIES AND DEFFERED INFLOWS OF RESOURCES		486,189
NET POSITION		
Net investment in capital assets		7,317
Unrestricted (deficit)		(87,352)
TOTAL NET POSITION	$	(80,035)

See Accompanying Notes to the Basic Financial Statements

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/ Programs	**Direct Expenses**	**Indirect Expenses**	**Operating Grants and Contributions**	**Government-wide Activities**
Primary Government-Wide:				
Transportation Planning	$ 333,793	$ 145,605	$ 446,446	$ (32,952)
Transit Studies and Capital Planning	3,013	1,999	4,623	(389)
Community Development Projects	63,680	36,108	50,406	(49,382)
Environmental Protection Projects	20,806	13,855	-	(34,661)
Economic Development Projects	117,473	19,101	70,000	(66,574)
Total Primary Government-Wide	$ 538,765	$ 216,668	$ 571,475	(183,958)
General Government-Wide Revenues:				
Miscellaneous				44,179
Per Capita Revenues				104,135
Administrative Revenues				45,138
West Virginia Development Office				31,363
Total General Government-Wide Revenues				224,815
Changes In Net Position				40,857
Net Position, Beginning of Year				(120,892)
Net Position, End of Year				$ (80,035)

See Accompanying Notes to the Basic Financial Statements

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
June 30, 2017

		General Fund
ASSETS		
Cash and cash equivalents	$	107,681
Accounts receivable		57,425
Grants receivable		68,828
Prepaids		14,209
TOTAL CURRENT ASSETS	$	248,143
LIABILITIES		
Accounts payable	$	21,691
Accrued and withheld employee benefits		1,907
Accrued payroll		12,365
Accrued and withheld payroll taxes		179
Total liabilities		36,142
DEFERRED INFLOWS OF RESOURCES		
Grants not available		4,231
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		40,373
FUND BALANCE		
Nonspendable Prepaids		14,209
Unassigned		193,561
Total fund balance		207,770
TOTAL LIABILITIES AND FUND BALANCE	$	248,143

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
June 30, 2017

General Fund Balance	$	207,770
Amounts reported for Government-Wide activities in the statement of net position are different because:		
Capital assets of $100,914 net of accumulated depreciation of $(83,384) and capital lease of $(10,214) are not financial resources and, therefore, are not reported in the fund.		7,316
Net pension liability of $(315,269) less net deferred inflows/outflows of pension expense of $20,148 are not financial resources and therefore are not reported in the fund		(295,121)
Net Position of Government-Wide Activities	$	(80,035)

See Accompanying Notes to the Basic Financial Statements

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund
REVENUES	
Federal grants and projects	$ 533,808
State financial assistance	69,030
Per capita dues	104,135
Administrative revenues	45,138
Local assistance	44,179
Total revenues	796,290
EXPENDITURES	
Transportation planning	497,674
Transit studies and capital planning	5,215
Community development projects	103,749
Environmental protection projects	36,064
Economic development projects	142,101
Total expenditures	784,803
NET CHANGE IN FUND BALANCE	11,487
GENERAL FUND BALANCE, BEGINNING	196,283
GENERAL FUND BALANCE, ENDING	$ 207,770

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - General Fund	$ 11,487
Amounts reported for Government-Wide 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 in the Government-Wide Agency.	2,929
This is the amount of depreciation in the current period not recognized as expense in the general fund.	(7,659)
Governmental funds report debt payments as expenditures. This is the amount of debt payments in the current period.	2,989
Pension expense reported in the Government -Wide Activities that are not financial resources and therefore are not reported in the fund.	31,111
Change in Net Position of Government-Wide Activities	$ 40,857

See Accompanying Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In a prior reporting period, the Commission 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 – The Commission is a quasi-government agency that provides planning and administrative service to various federal, state, and local governments for the three county areas of Brooke and Hancock Counties of West Virginia and Jefferson County, Ohio. The Commission is the sole organization of the reporting entity in accordance with GASB No. 14.

The Commission 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 and Mayors then appoint additional members. As such, each of the counties and municipalities is required to pay a per capita contribution to the Commission for each fiscal year.

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

<u>Government-Wide and Governmental Fund Financial Statements</u> – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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.

The Commission has only one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at the Commission.

<u>Measurement Focus and Basis of Accounting</u> – 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 Commission 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting – The accounts of the Commission are organized on the basis of funds or groups of accounts, each of which is considered a separate accounting entity. The Commission 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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:

1) General Fund

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

Revenues – Non-Exchange Transactions – Non-exchange transactions, in which the Commission 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 the Commission must provide local resources to be used for those specific purposes, and expenditure requirements, in which the resources are provided to the Commission on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

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 – The Commission capitalizes at cost 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 the following estimated useful lives less any salvage value:

Description	Estimated Lives
Equipment	5 to 15 years

Restricted Fund Balance – In the fund financial statements, governmental funds report restrictions 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. Unassigned 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 Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position would consist of monies and other resources, which are restricted to satisfy debt service requirements as specified in debt agreements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – The investment and deposit of the Commission'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 the Commission 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. The Commission 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.

The Commission 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"). The Commission is also prohibited from investing in reverse purchase agreements.

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 the Commission's name.

Income Taxes – The Commission 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.

Budgets **-** Budgets for the commission are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee. The Commission is not required by Ohio Revised Code to budget, however, the board approves a budget prepared by the financial director to guide them.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2017:

	Balance	Bank Carrying Balance
PNC	$ 107,581	$ 107,600
Petty Cash	100	-
Total cash deposits and cash on hand	$ 107,681	$ 107,600

The Commission's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2017, the Commission's balances were not in excess of the FDIC prescribed insured limits.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2017, is as follows:

Government-wide Activities:

Capital Asset Balance of July 1, 2016		$ 97,984
	Additions	2,930
	Balance June 30, 2017	100,914
Accumulated Depreciation		
	Prior Years	(75,725)
	Current Year	(7,659)
	Balance June 30, 2017	(83,384)
Net Capital Assets June 30, 2017		$ 17,530

Direct and Indirect depreciation expense for the period ending June 30, 2017, included in the Government-wide expenses consist of the following:

Transportation planning	$ 5,818
Transit studies and capital planning	32
Community development projects	715
Environmental protection projects	221
Economic development projects	873
Total	$ 7,659

NOTE 4 - DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources represents monies advanced to the Commission from local Governments and unavailable revenues from non-exchange transactions:

ARC - 2017	$ 3,602
Deferred Inflow of Resources	$ 3,602

NOTE 5 - GRANTS RECEIVABLE

Grants receivable of $68,828 is comprised of amounts due from the following governmental entities at June 30, 2017:

WV Department of Transportation – FHWA (Federal)	$ 21,978
WV Department of Transportation – FHWA (State)	2,749
Ohio Department of Transportation – FHWA (Federal)	27,330
Ohio Department of Transportation – FHWA (State)	3,426
Ohio Department of Transportation – FTA Section 8 (Federal)	1,352
Ohio Department of Transportation – FTA Section 8 (State)	169
Ohio Rideshare	11,824
Total grants receivable	$ 68,828

NOTE 6 - LINE OF CREDIT

The Commission 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, 2017. 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 7 - 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 the Commission in complying with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*.

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.

In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 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 Post-Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

A. Plan Description (Continued)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml#CAFR, 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 health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, State and Local employers contributed at a rate of 14.00 percent of earnable salary. These are maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payrolls deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4.0%.

C. Information from Commission's records

The total employer contribution rate, in Section B, is the statutorily required contribution rates for OPERS. The Commission's contributions allocated to fund health care benefits for the years ended June 30, 2017, 2016 and 2015 were $6,864, $6,308 and $6,959 respectively. One hundred percent was contributed for 2017, 2016, and 2015.

NOTE 8 – ECONOMIC DEPENDENCY

Approximately 76 percent of the Commission's revenue is from the Federal and State Grant revenue as compared to the total agency revenue.

NOTE 9– CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employers' Retirement System (OPERS)

Plan Description – The Commission employees participate in OPERS, a cost-sharing multiple-employer public employee retirement system comprised of three separate pension plans: the Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/ defined contribution plan; and the Member-Directed Plan, a defined contribution plan. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate. For actuarial purposes, employees who have earned sufficient service credit (60 contributing months) are entitled to a future benefit from OPERS. Employer, employee and retiree data as of December 31, 2016 can be found in the OPERS 2016 CAFR.

OPERS is administered in accordance with Chapter 145 of the Ohio Revised Code (ORC). OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the State of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees (Board); there is no financial interdependency with the state of Ohio.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The Traditional Pension Plan

The Traditional Pension Plan is an age and service defined benefit plan under which a member's pension benefit is based on a formula. The formula is determined by the years of service credit and the average of the three or five (based on transition group) highest years of eligible salary, referred to as final average salary (FAS). OPERS investment professionals manage the investment of employee and employer contributions to ensure that funds are available to pay the formula benefit.

Funding Policy - Employers are required to make contributions to the System on the basis of a percentage of eligible salary and at a rate based upon the recommendations of the OPERS actuary, subject to the statutory limitations. Penalties and interest are assessed for late payments. The contribution rate for State and Local employers in 2016 was 14.0%.

The 2016 employee contribution rate for State and Local members was 10.0% of eligible salary. Individual accounts for each member of OPERS are maintained and funds contributed by members of the Traditional Pension Plan are fully refundable at service termination or death.

A member or a re-employed retiree who is contributing to a money purchase annuity may deposit additional money or rollover funds into the Additional Annuity Program. Voluntary after-tax additional annuity deposits are limited by federal tax law to 100% of a member's annual income from all public employers contributing to OPERS or to the current annual IRS limitation, whichever is less. Additional Annuity deposits are invested in the OPERS Stable Value Fund where they are subject to daily investment gains and losses. Earnings are tax-deferred until the time of distribution. Upon termination of employment or retirement, the member may either elect to receive a refund of the account value or an annuity. The annuity program offers the same payment options as those offered for an age-and-service retirement under the Traditional Pension Plan.

The Commissions' contractually required contribution to OPERS was $50,086 for fiscal year 2017. Of this amount $25,206 is reported as a deferred outflow. The Commission satisfied 100% of the contribution requirement.

Age-and-Service Defined-Benefits

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under new law in effect prior to SB 343 or who will be eligible to retire no later than five years after January 7, 2013 comprise retirement Group A. Members who have 20 years of service credit prior to January 7, 2013 or who will be eligible to retire no later than 10 years after January 7, 2013 are included in retirement Group B.

Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the Plan Statement in the OPERS 2016 CAFR for additional details.

Retirement benefits are specific to each plan and members must meet the eligibility requirements based on their age and years of service within the plan. Retirement eligibility also varies by division and retirement group. The following chart shows the retirement eligibility requirements for all divisions and retirement groups. The requirements for the State and Local divisions apply to members who participate in either the Traditional Pension Plan or the Combined Plan.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Age-and-Service Defined-Benefits (Continued)

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/ (asset), required supplementary information on the net pension liability/ (asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2016 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Age and service requirements for retirement are as follows:

	GROUP A		GROUP B		GROUP C	
	Age	Service	Age	Service	Age	Service
Full Benefits	Any	30	52	31	55	32
			Any	32		
	65	5	66	5	67	5
Reduced Benefits	55	25	55	25	57	25
	60	5	60	5	62	5

Benefit payments vary in amount depending on years of service credit, FAS, age, and plan of payment selection. FAS is the average of the three highest years of earnable salary for Groups A and B; and the average of the five highest years of earnable salary for members in Group C. The age-and-service formula benefit cannot exceed 100% of the FAS or the limits under Internal Revenue Code Section 415 and may be subject to the Contribution-Based Benefit Cap (CBBC). The base benefit amount calculated by the formula will be reduced if a member begins receiving a retirement benefit before he/she reaches the age-and-service requirements for an unreduced benefit.

Benefits in the Traditional Pension Plan for State and Local members are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with five years of service.

For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the actual years of service for the first 30 years of service credit and 2.5% for years of service in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. FAS represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career. Refer to the age-and-service tables located in the OPERS 2016 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for the calculation of the annual cost-of-living adjustment.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-of-Living Adjustment (COLA)

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

Death Benefit

Upon the death of an age-and-service or disability benefit recipient, a lump-sum death benefit is paid to the qualified beneficiary. The death benefit ranges from $500 to $2,500, based on the recipients' years of service credit.

Health Care Coverage

As of December 31, 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA). In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust, was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts (RMA) for participants of the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust is the funding vehicle for all health care plans. The Combining Statements of Fiduciary Net Position displays all health care assets and net position in the 115 Trust as of December 31, 2016.

Beginning in 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in an HRA that can be used to reimburse eligible health care expenses, beginning with January 2016 premiums.

The health care plans funded through the 115 Trust are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age. Upon termination or retirement, Member-Directed Plan participants can use vested RMA funds for reimbursement of qualified medical expenses. Members who elect the Member-Directed Plan prior to July 1, 2015 vest over a five-year period at a rate of 20% per year. Please see the Plan Statement in the OPERS 2016 CAFR for additional details. Health care coverage is neither guaranteed nor statutorily required.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission' share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	0.002655%
Proportion of the Net Pension Liability	$ 315,269
Pension Expense	$ 44,397
Increase/(Decrease) in Proportionate Share Percentage	0.000121%

At June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$ 95,241
Changes in proportionate share	18,863
Commission contributions subsequent to the measurement date	25,206
Changes in employer proportionate share of contributions	1,171
Total Deferred Outflows of Resources	$ 140,481
Deferred Inflows of Resources	
Differences between expected and actual experience	$ 4,260
Changes in proportion and differences	16,771
Changes in assumptions	95,628
Difference between Commission contributions and proportionate share of contributions	3,674
Total Deferred Inflows of Resources	$ 120,333

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of $25,206 is reported and will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:		
2018	$	(27,788)
2019		(16,438)
2020		25,824
2021		337
Thereafter		13,007
Total	$	(5,058)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the Board’s actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions – OPERS (Continued)

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2016
Experience Study	5 Year Period Ending December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost of Living Adjustments	Pre 01/07/2013 retirees 3.00% Simple Post - 01/07/2013 retirees 3.00% Simple thru 2018, then 2.15% Simple

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

The discount rate used to measure the total pension liability was 7.5%, post-experience study results, for the Traditional Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability or asset calculated using the discount rate of 7.5%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions - OPERS (Continued)

Sensitivity of Net Pension Liability/(Asset) to Changes in the Discount Rate

Employers' Net Pension Liability/(Asset) as of December 31, 2016	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Traditional Pension Plan	$481,651	$315,269	$176,628

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2016	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.35
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other Investments	18.00	4.92
Total	100.00 %	5.66 %

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

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member- Directed Plan. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined-Benefit portfolio is 8.3% for 2016.

NOTE 11 - RISK MANAGEMENT

The Commission 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.

The Commission 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. The Commission 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 12 -COST ALLOCATION PLAN

A cost allocation plan is prepared annually by Brooke-Hancock-Jefferson Metropolitan Planning Commission. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the authority in 2 CFR Part 200. The plan is submitted to the oversight grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let Brooke-Hancock-Jefferson Metropolitan Planning Commission adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval.

If the actual rates are less than the adjusted provisional rates, Brooke-Hancock-Jefferson Metropolitan Planning Commission must refund any over-billed amounts to the various grantor agencies. Conversely, Brooke-Hancock-Jefferson Metropolitan Planning Commission may recover under-billed amounts when unapplied funds remain from the various grantor agencies. Adjustments as a result of a change in the rates are recognized for financial reporting purposes when determined.

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2017.

1. **Fringe Benefits**

Fringe benefit costs are recorded in the general fund as fringe costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2017 fringe benefit costs were allocated at a provisional rate of 69.13% of direct and indirect labor costs. The actual fringe benefit cost rate was 71.88%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

2. **Indirect Costs**

Administrative costs are recorded in the general fund as indirect costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2017 indirect costs were allocated at a provisional rate of 114.97% of direct labor costs. The actual indirect cost rate was 109.95%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

13 – CHANGE IN ACCOUNTING POLICY

For fiscal year 2017, the Commission has implemented GASB Statement No. 82, "*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*". GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have a material effect on the financial statements of the Commission.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2017**

Schedule of the Proportionate Share of the Net Pension Liability

The Commission's proportionate share of the Net Pension Liability of the Ohio Public Employers' Retirement System for the previous three years for the calendar year ended December 31:

	2017 OPERS	2016 OPERS	2015 OPERS
Proportionate share of the net pension liability	0.002655%	0.002534%	0.002838%
Proportion of the Net Pension Liability	$ 315,269	$ 430,414	$ 342,162
Covered Payroll	$ 330,741	$ 326,430	$ 336,722
Proportionate share of the net pension liability as a percentage of its' covered payroll	95.32%	136.46%	97.96%
Plan fiduciary net position as a percentage of the total pension liability	77.25%	81.08%	86.45%

It would not be practical to restate prior year covered payroll and differences would be immaterial.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS
JUNE 30, 2017

Schedule of the Agency Contributions

The Commission's contributions to the Ohio Public Employers' Retirement System for the previous three years for the fiscal year ended June 30:

	2017 OPERS	2016 OPERS	2015 OPERS
Contractually required contributions	$ 41,948	$ 47,312	$ 53,365
Contributions in relation to the contractually required contributions	$ (41,948)	$ (47,312)	$ (53,365)
Contribution deficiency (excess)	$ -	$ -	$ -
Agency's covered payroll	$ 335,443	$ 326,430	$ 336,722
Contributions as a percentage of the covered payroll	12.51%	14.49%	15.85%

It would not be practical to restate prior year required contributions and covered payroll and differences would be immaterial.

Information about factors that significantly affect trends in the amounts reported in the schedules should be presented as notes to the schedule.

Ohio Public Employers' Retirement System

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2015, 2016 and 2017.

Changes in assumptions: In 2016, the Board's actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0% down to 7.5%, for the defined benefit investments. See the notes to the basic financials for the methods and assumptions in this calculation.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2017

	Budget FY 2017	Actual FY 2017	Difference (Over) Under Budget
Wages paid for time worked:			
Direct labor	$ 201,565	$197,061	$4,504
Indirect labor	97,466	92,560	4,906
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	$299,031	$289,621	$9,410
Fringe Benefits			
Annual / Vacation	$22,164	$22,141	$23
Sick leave	9,191	8,279	912
Holiday	14,995	15,172	(177)
Other leave	-	892	(892)
Subtotal Fringe Benefit Wages	$46,350	$46,484	$(134)
Other Fringe Benefits			
Medicare	$5,008	$4,874	$135
Employment services	281	655	(374)
Life	1,746	1,746	0
Hospitalization	94,280	99,967	(5,687)
OPERS	51,466	50,180	1,286
Vision / Dental / Wellness	6,900	3,931	2,969
Workers' Compensation	691	342	349
Subtotal Other Fringe Benefits	$160,372	$161,695	$(1,323)
TOTAL FRINGE BENEFITS	$206,722	$208,179	$(1,457)
Indirect Costs			
Salaries – indirect only	$97,466	$92,560	$4,906
Fringe benefits for indirect salaries	67,379	66,532	847
Advertising	300	339	(39)
Audit Services	0	0	0
Computer / Internet Repairs	4,300	2,001	2,299
Copier	300	0	300
Depreciation	4,300	4,827	(527)
Equipment expense	2,000	1,109	891
Finance consulting & publications	750	537	213
Insurance/bonds	4,300	3,237	1,063
Legal service	300	0	300
Memberships and subscriptions	1,000	418	582
Miscellaneous	1,000	1,460	(460)
Postage	1,800	2,053	(253)
Publications and printing	350	416	(66)
Rent	33,000	33,000	0
Software/technical support	1,500	416	1,084
Supplies	6,000	1,947	4,053
Telephone	3,500	3.312	188
Travel	2,200	2,497	(297)
TOTAL INDIRECT COSTS	$231,745	$216,661	$15,084

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF RATES
FRINGE, INDIRECT & COMBINED RATES 1998 TO 2017

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	(11)%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	23%
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	1.8574	(13)%
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	0.7430	1.3117	2.0547	10%
2014	0.6304	1.2932	1.9236	2%
2015	0.6409	1.2359	1.8768	(9)%
2016	0.6364	1.1237	1.7601	(6)%
2017	0.7188	1.0995	1.8183	3%
2018 projected	0.7557	1.2680	2.0237	11%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2016 AND 2017
INDIRECT COSTS

	2016	2017	change	% change
TOTAL INDIRECT COSTS	**$212,725**	**$216,661**	**$3,936**	**1.85%**
Personnel	94,859	92,560	(2,299)	-2%
Fringe Benefits	60,372	66,532	6,160	10%
Advertising	0	339	339	100%
Audit Services	109	0	(109)	-100%
Computer / Internet Repairs	3,301	2,001	(1,300)	-39%
Depreciation	3,506	4,827	1,321	38%
Equipment Cost	1,144	1,109	(35)	-3%
Financial Consultant / Publications	517	537	20	4%
Insurance	3,187	3,237	50	2%
Membership	343	418	75	22%
Miscellaneous	916	1,460	544	59%
Postage	2,579	2,053	(526)	-20%
Publications & printing	26	416	390	1500%
Rent	33,000	33,000	0	0%
Software / Training	725	416	(309)	-43%
Supplies	4,036	1,947	(2,089)	-52%
Telephone	3,056	3,312	256	8%
Travel	1,049	2,497	1,448	138%
INDIRECT COST RATE	**112.37%**	**109.95%**	**-2.42%**	**-2.15%**

	2016	2017	change	% change
TOTAL FRINGE BENEFITS	**$182,471**	**$208,179**	**$25,708**	**14.09%**
Salary Benefits	46,883	46,485	(398)	-1%
Payroll Benefits	8,190	11,547	3,357	41%
Health Insurance	78,432	99,967	21,535	27%
Ohio PERS	48,966	50,180	1,214	2%
FRINGE BENEFIT RATE	**63.64%**	**71.88%**	**8.24%**	**12.95%**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2017

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	$ 92,560	$ -	$ 92,560
Fringe benefits	66,532	-	66,532
Advertising	339	360	699
Audit and personal service contracts	-	9,102	9,102
Dues and publications	1,371	1,144	2,515
Equipment costs	7,937	-	7,937
Insurance	3,237	-	3,237
Postage	2,053	-	2,053
Rent	33,000	-	33,000
Supplies	1,947	-	1,947
Telephone	3,312	-	3,312
Travel	2,497	-	2,497
Other	1,876	1,555	3,431
Total, Government-Wide Level	$ 216,661	$ 12,161	$ 228,822
Depreciation			(4,827)
Indirect capital asset additions			(1,302)
Total, Fund Level			$ 222,693

INDIRECT COST RATE COMPUTATION

$$\frac{\text{Total Indirect Costs}}{\text{Direct Personnel Costs}} = \frac{216{,}661}{197{,}061} = 109.95\%$$

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2016

Salary benefits		$ 46,485	
Payroll benefits:			
Medicare	4,874		
Unemployment insurance	655		
Worker's Compensation	341		
		$ 5,870	
Other benefits:			
Health insurance	99,967		
Life insurance	1,746		
Dental/Vision/Wellness	3,931		
Ohio PERS	50,180		
		$ 155,824	
Total fringe benefits			$ 208,179

FRINGE BENEFIT RATE COMPUTATION

TOTAL FRINGE BENEFITS	208,179	=	71.88%
TOTAL PERSONNEL COSTS	289,621		

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Indirect	Other	Total
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	$ 47,472	$ 5,933	$ 5,934	$ 59,339	$ 19,599	$ 14,088	$ 21,549	$ 4,103	$ 59,339
Ohio Department of Transp -Toll Cred	16,698	-	-	16,698	3,815	2,742	4,194	5,947	16,698
OH Short Range	12,033	1,504	1,507	15,044	5,312	3,818	5,840	74	15,044
OH TIP	17,692	2,211	2,215	22,118	7,323	5,263	8,051	1,481	22,118
OH Surveillance	62,598	7,822	7,837	78,257	26,984	19,396	29,668	2,210	78,258
WV Department of Transportation	27,169	3,396	3,396	33,961	10,300	7,404	11,325	4,932	33,961
WV Short Range	9,447	1,182	1,182	11,811	4,173	3,000	4,589	49	11,811
WV TIP	13,890	1,737	1,737	17,364	5,753	4,136	6,326	1,149	17,364
WV Surveillance	49,145	6,146	6,147	61,438	21,201	15,239	23,311	1,686	61,437
Ohio Long Range Finance Element									
Ohio Department of Transportation	32,366	4,045	4,052	40,463	13,983	10,051	15,374	1,054	40,462
WV Department of Transportation	25,410	3,178	3,177	31,765	10,987	7,897	12,080	802	31,766
Ohio Rideshare									
Ohio Department of Transportation	80,372			80,372	234	168	257	79,713	80,372
Ohio Trails and Greenways									
Ohio Department of Transportation	15,000			15,000				15,000	15,000
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	1,713	214	214	2,141	759	545	834	3	2,141
WV Department of Transportation	2,397	299	299	2,995	1,059	761	1,164	11	2,995
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/16 – 12/31/16	28,918	28,766	967	58,651	17,760	12,303	20,352	8,236	58,651
302(a)(1) 01/01/17– 06/30/17	21,488	2,597	18,076	42,161	14,569	10,935	15,193	1,464	42,161
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	70,000		70,000	140,000	17,373	12,488	19,101	91,038	140,000
Projects and Programs									
Miscellaneous Projects			1,450	1,450	512	368	563	36	1,479
Brooke Co Sewer IIB			5,677	5,677	2,014	1,448	2,215	-	5,677
Mahan Lane Phase II			81	81	-	-	-		-
Wellsburg Sewer II			5,157	5,157	1,730	1,243	1,902		4,875
Washington Pike PSD Water			6,928	6,928	2,458	1,767	2,703		6,928
Weirton Water			9,333	9,333	3,312	2,380	3,641		9,333
BDC Coalition			2,336	2,336	823	591	905	17	2,336
New Cumberland Sewer			6,382	6,382	2,264	1,628	2,490	-	6,382
Weirton Transit			7,794	7,794	2,766	1,988	3,040	-	7,794
TOTALS	$ 533,808	$ 69,030	$ 171,878	$ 774,716	$ 197,063	$ 141,647	$ 216,667	$ 219,005	$ 774,382

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017. 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.

Perry & Associates
Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

104 South Sugar St.
St. Clairsville, OH 43950
740.695.1569

1310 Market St., Suite 300
Wheeling, WV 26003
304.232.1358

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

December 22, 2017

Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 4th Street, 2nd Floor
Steubenville, OH 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, (the Commission) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 22, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Commission's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Commission's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Commission's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Commission's management in a separate letter dated December 22, 2017.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

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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 6, 2018