

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

**AUDIT REPORT**

**JUNE 30, 1999**



**Brooke-Hancock-Jefferson**  
**Metropolitan Planning Commission**  
**Steubenville, Ohio**

**Audit Report**

**June 30, 1999**

**Brooke-Hancock-Jefferson  
Metropolitan Planning Commission  
AUDIT REPORT  
JUNE 30, 1999**

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**Brooke-Hancock-Jefferson**  
**Metropolitan Planning Commission**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1999**

**SUMMARY OF AUDITOR RESULTS**

(A) Type of report issued on financial statements

Unqualified

(B) Internal control reportable conditions

Three reportable conditions disclosed during the audit of the general purpose financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards. None of these conditions are reported as material weaknesses.

(C) Material Noncompliance over financial reporting in accordance with GAAS.

None

(D) Internal control reportable conditions -- Major Program Compliance

Three reportable conditions disclosed during the audit of the general purposes financial statements are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. None of these conditions are reported as material weaknesses.

(E) Type of report issued on compliance for major programs

Unqualified

(F) Audit findings -- Major Programs

Three reportable conditions disclosed during the audit of the general purposes financial statements are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. None of these conditions are reported as material weaknesses.

(G) Major Programs

CFDA -- 20.205 Highway Planning and Construction

(H) Dollar threshold of major programs

The threshold for distinguishing Types A and B programs was \$300,000.

**Brooke-Hancock-Jefferson**  
**Metropolitan Planning Commission**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1999**

(I) Low-risk auditee

Brooke-Hancock-Jefferson Metropolitan Planning Commission was determined not to be a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

99-1 Revenue Postings

Statement of Condition: The general ledger system is not properly utilized to reconcile revenue postings to respective projects billings.

Criteria: Revenues received from grantors must be posted properly so the Commission can more accurately monitor amounts due to/from grantors on advancements and monitor the performance of cost reimbursement projects.

Effect of Condition: The Commission cannot accurately monitor amounts due to/from grantors or monitor the performance of cost reimbursement projects.

Cause of Condition: The Commission's general ledger software is not efficiently utilized, as well as numerous mispostings.

Recommendation: The Commission needs to reconcile the revenues posted to the general ledger system to the billings of each project.

Response: The Commission agrees with the findings. The Commission will improve its efficiency to more closely monitor revenues by reconciling to the respective projects.

99-2 Local Cash Allocation

Statement of Condition: Local cash is not being allocated to the federal grants properly on the general ledger system.

Criteria: Local cash must be allocated properly to federal grant projects to ensure that the project is complying with required match dollars.

Effect of Condition: The Commission cannot appropriately evaluate the performance of a project by not properly reconciling revenues.

**Brooke-Hancock-Jefferson**  
**Metropolitan Planning Commission**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1999**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**99-2 Local Cash Allocation (continued)**

**Cause of Condition:** The Commission's general ledger system is not efficiently utilized.

**Recommendation:** The Commission needs to allocate the local cash to the proper federal projects to ensure compliance with grant requirements.

**Response:** The Commission agrees with the finding. The Commission recognizes that some local matches were not allocated to certain projects properly. The Commission will concentrate on grant sources that were advancements and will take steps to reconcile this problem.

**99-3 Liquidation of Obligations**

**Statement of Condition:** The Commission has obligations past the liquidation period mandated by regulations.

**Criteria:** Regulations mandate the obligations be liquidated within a 90-day period.

**Effect of Condition:** The Commission is not in compliance with respect to the regulation.

**Cause of Condition:** The Commission does not have sufficient cash to liquidate obligations within the period mandated by regulations.

**Recommendation:** The Commission should continue to monitor that funds due to granting agencies be returned within the mandated 90 days.

**Response:** The Commission has come up with a debt reduction plan to liquidate these obligations by the year 2004.

**Brooke-Hancock-Jefferson**  
**Metropolitan Planning Commission**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 1999**

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT**

	<u>Questioned Costs</u>
U.S. Department of Transportation	
99-1 Revenue Postings The reportable condition, described in finding 99-1 of the section “Findings – Financial Statement Audit,” applies to all of the major federal grant programs.	\$ -
99-2 Local Cash Allocations The reportable condition, described in finding 99-2 of the section “Findings – Financial Statement Audit,” applies to all of the major federal grant programs.	\$ -
99-3 Liquidation of Obligations The reportable condition, described in finding 99-3 of the section “Findings – Financial Statement Audit,” applies to all of the major federal grant programs.	\$ -



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

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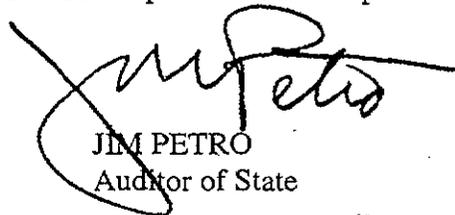
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To the Executive Committee  
Brooke-Hancock-Jefferson  
Metropolitan Planning Commission

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., CPA's, for the audit period July 1, 1998 to June 30, 1999. 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.



JIM PETRO  
Auditor of State

April 3, 2000

# 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 general purpose financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in 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 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Brooke-Hancock-Jefferson Metropolitan Planning Commission, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

As discussed in the Notes, the Commission does not have sufficient cash to liquidate *current obligations within the period mandated by Federal regulations, should compliance be enforced by the grantors.* The general purpose financial statements do not include any adjustment relating to the amounts and classification of liabilities that might be necessary if the Commission is forced to comply with such regulations, and/or subjected to disciplinary actions by the grantors.

As described in the Notes to the financial statements, the Commission changed its method of accounting for its deposits in a deferred compensation program during the year ended June 30, 1999 to comply with the provisions of Statement No. 32 of the Governmental Accounting Standards Board.



In accordance with Government Auditing Standards, we have also issued our report dated January 12, 2000 on our consideration of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental schedules on pages 22 through 25 are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission. Such schedules have been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the general purpose financial statements taken as whole.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards 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, Non-Profit Organizations, and is not a required part of the general purpose financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*S. P. Snodgrass, a. c.*

Steubenville, Ohio  
January 12, 2000

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
COMBINED BALANCE SHEET  
ALL FUNDS AND ACCOUNT GROUP  
June 30, 1999**

	<u>GOVERNMENTAL FUND TYPES</u>		<u>ACCOUNT GROUP</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>GENERAL FIXED ASSETS</u>	
<u>ASSETS</u>				
CASH IN BANK AND ON HAND	\$55,751.19			\$55,751.19
ACCOUNTS RECEIVABLE	14,760.53			14,760.53
GRANTS RECEIVABLE		\$82,542.83		82,542.83
DUE FROM GRANTOR		13,065.42		13,065.42
INTERFUND RECEIVABLE	54,652.59			54,652.59
PROPERTY AND EQUIPMENT (NET OF ACCUMULATED DEPRECIATION OF \$76,894.72)			\$33,606.78	33,606.78
<b>TOTAL ASSETS</b>	<u>\$125,164.31</u>	<u>\$95,608.25</u>	<u>\$33,606.78</u>	<u>\$254,379.34</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE	\$28,799.56	\$2,656.60		\$31,456.16
INTERFUND PAYABLE		54,652.59		54,652.59
ACCRUED AND WITHHELD EMPLOYEE BENEFITS	19,475.29			19,475.29
ACCRUED PAYROLL		11,321.39		11,321.39
ACCRUED AND WITHHELD PAYROLL TAXES	3,620.39			3,620.39
DUE TO GRANTORS		26,669.36		26,669.36
DEFERRED REVENUE		4,921.54		4,921.54
INTEREST DUE ON ACCRUED EMPLOYEE BENEFITS	4,900.03			4,900.03
<b>TOTAL LIABILITIES</b>	<u>56,795.27</u>	<u>100,221.48</u>	<u>0.00</u>	<u>157,016.75</u>
FUND EQUITY (DEFICIT)	68,369.04	(4,613.23)	33,606.78	97,362.59
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$125,164.31</u>	<u>\$95,608.25</u>	<u>\$33,606.78</u>	<u>\$254,379.34</u>

SEE ACCOMPANYING NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
<b><u>REVENUES</u></b>			
FEDERAL GRANTS AND PROJECTS		\$266,326.62	\$266,326.62
STATE FINANCIAL ASSISTANCE		92,974.32	92,974.32
PER CAPITA DUES	\$70,261.51		70,261.51
LOCAL MATCH		24,507.78	24,507.78
OTHER	5,205.64	(2,478.29)	2,727.35
<b>TOTAL REVENUES</b>	<u>75,467.15</u>	<u>381,330.43</u>	<u>456,797.58</u>
<b><u>EXPENDITURES</u></b>			
<b>CURRENT PROGRAMS</b>			
TRANSPORTATION PLANNING		225,804.34	225,804.34
ECONOMIC DEVELOPMENT SERVICES		85,348.56	85,348.56
TRANSIT STUDIES AND CAPITAL PLANNING		35,025.83	35,025.83
AVIATION PLANNING		636.05	636.05
COMMUNITY DEVELOPMENT PROJECTS		4,821.75	4,821.75
ENVIRONMENTAL PROTECTION PROJECTS		24,793.48	24,793.48
AGENCY MANAGEMENT	174,012.38		174,012.38
	<u>174,012.38</u>	<u>376,430.01</u>	<u>550,442.39</u>
INDIRECT COSTS ALLOCATION	(149,504.60)		(149,504.60)
<b>TOTAL EXPENDITURES</b>	<u>24,507.78</u>	<u>376,430.01</u>	<u>400,937.79</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>50,959.37</u>	<u>4,900.42</u>	<u>55,859.79</u>
<b>FUND BALANCE - JULY 1, 1998</b>	17,409.67	(9,513.65)	7,896.02
<b>FUND BALANCE - JUNE 30, 1999</b>	<u>\$68,369.04</u>	<u>(\$4,613.23)</u>	<u>\$63,755.81</u>

SEE ACCOMPANYING NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
STATEMENT OF CHANGES IN INVESTMENT IN GENERAL FIXED ASSETS  
FOR THE YEAR ENDED JUNE 30, 1999**

INVESTMENT IN GENERAL FIXED ASSETS - JULY 1, 1998	\$35,649.51
ACQUISITION OF CAPITAL ASSETS	9,347.99
CURRENT DEPRECIATION	(11,390.72)
INVESTMENT IN GENERAL FIXED ASSETS - JUNE 30, 1999	<u>\$33,606.78</u>

SEE ACCOMPANYING NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS.

**Brooke-Hancock-Jefferson  
Metropolitan Planning Commission  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999**

**LIQUIDITY**

The Brooke-Hancock-Jefferson Metropolitan Planning Commission (the "Commission") receives a significant portion of its funding from the Federal Government. As a recipient of such funding, the Commission is subject to various laws and regulations. Noncompliance with such regulations could cause future Federal funding to be withheld, and or the Commission could be required to return Federal funds already received.

Currently, as well as reported in previous audit reports, the Commission is not in compliance with all laws and regulations. The June 30, 1999 balance sheet of the Commission contains approximately \$55,500 of liabilities that represent obligations not liquidated within the 90 day period. A portion of these liabilities were charged to federal grants and projects.

The Commission does not currently have sufficient cash to liquidate these obligations should compliance with regulations be enforced by any funding source. In addition, the Commission, as a result of this non-compliance issue, may be subjected to other disciplinary actions which include the return of all federal funds and or the termination of all future Federal funding.

The action or actions taken by the grantors, and the result of such, is currently unknown. Accordingly, the general purpose financial statements do not include any adjustment relating to the amounts and classification of liabilities that might result if the Commission is forced to comply with such regulations, and or subjected to disciplinary action by the grantors.

**DEBT REDUCTION PLAN**

In July of 1995, the Commission developed a debt reduction plan which employs the use of local dollars and old outstanding receivables to pay off all outstanding debt by the fiscal year 2004. As part of this debt reduction plan, a consultant was hired to calculate interest on cumulative unpaid retirement amounts. Management relied upon the use of assumptions in calculating interest on the individual employee accounts with the stipulation that the current and former employees agree to the calculation. As of the writing of this report, acceptance by all individuals involved has not been obtained.

The action or actions taken by the former employees, and the result of such, is currently unknown. However, the results of the consultants calculations have been recorded on the general purpose financial statements, and any adjustment relating to the amounts and classification of this liability that might result if the Commission is forced to recompute the outstanding interest is currently unknown.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **GENERAL STATEMENT**

The Commission 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.

The Commission is made up of representatives of each county and municipality of the tri-state area. As such, each of the counties and municipalities is required to pay a per capita contribution to the Commission for each fiscal year.

### **BASIS OF PRESENTATION**

The accounts of the Commission should be organized on the basis of funds and account groups, each being a separate entity with its own self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Resources should be accounted for and presented in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts should be maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

The assets, liabilities, fund balances, revenues and expenditures of the Commission are reported in the following funds and groups:

#### **Government Fund Types**

General Fund - the general fund represents the portion of expendable funds that are available for support of the Commission's programs.

Special Revenue Funds - the special revenue funds represents resources from specific revenue sources, the expenditures for which are legally restricted for purposes specified in grants and project agreements.

## Account Group

General Fixed Assets Account Group – the general fixed asset account group represents fixed assets used in the governmental fund type operations.

## **ACCOUNTING CHANGE – DEFERRED COMPENSATION PLAN**

In accordance with Statement No. 2 of the GASB, *Financial Reporting of Deferred Compensation Plan Adopted Under the Provision of Internal Revenue Code Section 457*, the Commission used an agency fund to account for monies deposited by its employees in a deferred compensation plan prior to 1998 because the monies were the property of the Commission (until paid or made available to the employee or beneficiary) subject to the claims of the Commission's general creditors. Internal Revenue Code Section 457 was amended during 1996 requiring deferred compensation plans to transfer all of their deposits into a newly established trust for the exclusive benefit of plan participants and their beneficiaries by January 1, 1999. During 1996, the ICMA Deferred Compensation Plan (the "Plan") was amended to establish such a trust and all of the Plan's assets were deposited into the trust. Accordingly, during 1998, the Commission applied the provisions of Statement No. 32 of the GASB, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and has excluded the amounts deposited in the Plan by Commission employees from the accompanying June 30, 1999 balance sheet.

## **MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The governmental fund types (General and Special Revenue Funds) use the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual, i.e. when they become measurable and available. Available means collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred or measurable.

The major source of revenue to the Commission are federal and state grants and contracts, state assistance and member government per capita dues as discussed below.

## **Federal and State Grants**

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

## **MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)**

### **State Financial Assistance**

State financial assistance is given as part of matching revenues for federal grants and projects. The revenue is recognized when the federal program expenditures are incurred.

### **Member Per Capita Dues**

Member per capita dues are recognized when due. The dues are determined annually and are required to be paid on an annual basis.

## **ALLOCATION OF EMPLOYEE BENEFITS AND INDIRECT COSTS**

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 the acceptance of the Overall Work Plan (OWP) submitted annually.

## **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 deposit, 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 thirty days.

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 110% 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 of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require security for public deposits and investments to be maintained in the Commission's name.

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.

## **FIXED ASSETS**

Fixed assets are recorded at historical costs. The use of operational funds for the purpose of acquiring fixed assets are accounted for as transfers to the General Fixed Asset account group. Proceeds from the sale of these assets, if not restricted, are transferred to the general fund balance. Depreciation of these assets is provided over the estimated useful lives of the respective assets under the straight line method over five (5) to seven (7) years. Depreciation on these assets is accounted for as transfers to the General Fixed Asset account group.

## **ESTIMATES**

The preparation of financial statements in accordance with generally accepted accounting principles 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.

## **TOTAL COLUMN ON COMBINED STATEMENTS**

The total column on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles.

## **CASH IN BANK AND ON HAND**

Cash in bank and on hand consist of the following at June 30, 1999:

	<u>Per Bank</u>	<u>Per Books</u>
United National Bank – Checking Plus	\$49,938.64	\$38,390.95
United National Bank – Premier Investment Account	<u>16,860.24</u>	<u>16,860.24</u>
Total cash in bank	66,798.88	55,251.19
Petty cash	-	500.00
	<u>\$66,798.88</u>	<u>\$55,751.19</u>

The agency's funds at United National Bank are insured up to the FDIC limit. At June 30, 1999, the agency's balances were \$-0- over the FDIC prescribed insured limits.

## GRANTS RECEIVABLE

Grants receivable of \$82,542.83 is comprised of amounts due from the following governmental entities at June 30, 1999:

WV Department of Transportation - FHWA	\$26,400.81
WV Department of Transportation - FTA 8	2,473.24
Ohio Department of Transportation - FHWA	32,703.06
Ohio Department of Transportation - FHWA - ODOT	4,087.25
Ohio Department of Transportation - FTA - ODOT	117.13
Ohio Department of Transportation - FTA 8	937.06
Ohio Department of Transportation - FHWA (Rideshare)	4,201.87
Total transportation	<u>70,920.42</u>
City of Chester, WV - CDBG	466.07
Brooke County, WV - Windsor Heights - CDBG	830.02
Total development block grants	<u>1,296.09</u>
Brooke County, WV - PSD - EPA	3,030.96
Hancock County, WV - PSD - EPA	746.17
Hancock County, WV - Route 2 Sewer - EPA	3,975.46
Brooke County, WV - Colliers Sewer - EPA	1,929.20
Total EPA	<u>9,681.79</u>
Jefferson County, Ohio - Airpark	644.53
Total other grants	<u>644.53</u>
Total grants receivable	<u>\$82,542.83</u>

## DUE FROM GRANTORS

Due from grantors of \$13,065.42 is comprised of amounts due from the following governmental agencies at June 30, 1999. These amounts are based upon closed programs at June 30, 1999 and after considering the grant receivable for these programs.

Ohio Department of Transportation - FHWA	\$ 7,053.05
Ohio Department of Transportation - FHWA (Rideshare)	2,091.83
Ohio Department of Transportation - FHWA - ODOT	617.51
Ohio Department of Transportation - FTA 8	1,134.18
Ohio Department of Transportation - FTA - ODOT	141.71
WV Department of Transportation - FTA 8	586.49
Total transportation	<u>11,624.77</u>
New Cumberland, WV - CDBG	<u>460.47</u>
Chester, WV - SRF	399.01
Hancock County, WV - SRF	581.17
Total state revolving funds	<u>980.18</u>
Total due from grantors	<u>\$13,065.42</u>

## PROPERTY AND EQUIPMENT

General fixed assets group – office furniture and equipment:

Balance July 1, 1998	\$35,649.51
Additions	9,347.99
Deletions	-
Depreciation	<u>(11,390.72)</u>
Balance June 30, 1999	<u>\$33,606.78</u>

## DUE TO GRANTORS

Due to grantors of \$26,669.36 is comprised of amounts due to the following governmental entities at June 30, 1999:

WV Department of Transportation – FHWA	\$ 1,507.52
WV Department of Transportation – FTA 8	32.74
WV Department of Transportation – FTA 9	3,559.81
Ohio Department of Transportation – FHWA	2,911.19
Ohio Department of Transportation – FHWA (Rideshare)	1,072.62
Ohio Department of Transportation – FTA 8	862.48
Ohio Department of Transportation – FTA Match	697.99
Appalachian Regional Commission (12-96)	15,167.36
Jefferson County – FAA – Airpark	<u>857.65</u>
Total due to grantor	<u>\$26,669.36</u>

## DEFERRED REVENUE

Deferred Revenue represents monies advanced to the Commission from grantors for the purpose of carrying on specific grant functions, but is unobligated as of June 30, 1999.

Appalachian Regional Commission (12/99)	\$1,573.27
Brooke County, WV – CDBG	3,340.70
Brooke County, WV – Colliers Sewer Project – EPA	<u>7.57</u>
Total deferred revenue	<u>\$4,921.54</u>

## SPECIAL REVENUE FUND BALANCE

Special revenue fund balances (deficit) of \$(4,613.23) is comprised from the following agencies at June 30, 1999. These amounts are based upon open programs that have excess expenditures over revenues as of June 30, 1999.

Brooke County, WV – PSD	\$ (165.25)
Brooke County, WV – SRF	(1,232.30)
Jefferson County Industrial Park	(2,972.69)
Hancock County, WV – Route 2, Sewer – EPA	<u>(242.99)</u>
	<u>\$(4,613.23)</u>

## EMPLOYEE RETIREMENT AND DEFERRED COMPENSATION PLANS

### ICMA Deferred Compensation Plan

Commission employees participate in the ICMA Deferred Compensation Plan created in accordance with Ohio Revised Code Section 145.71-74, and the Internal Revenue Code Section 457. Participation is on a voluntary, payroll deduction basis. The Plan permits deferral of compensation until future years. According to the Plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred wages and any earned income are not subject to taxes until actually received by the employees.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the Plan's participants and their beneficiaries. The Plan agreement states that the Commission and the Plan administrators have no liability for losses under the Plan with the exception of fraud or wrongful taking.

The amount on deposit in the Plan is not reflected in the accompanying balance sheet as of June 30, 1999 because it is held in trust for the exclusive benefit of the Plan participants and their beneficiaries. See previous note regarding the accounting change with respect to the ICMA Deferred Compensation Plan.

### Public Employees Retirement System of Ohio

The Commission's participation in Ohio "PERS" was initiated on January 1, 1997. An agreement between the Ohio "PERS" board and the Commission for past service was entered into in which the Commission would calculate the amount due to Ohio "PERS" for active employees as of December 31, 1996 for each of the employees' years of service at the Commission. The amount due to Ohio "PERS" for active employees as of December 31, 1996, was approximately \$157,193.10. The Commission paid this in full on January 16, 1998.

The Public Employees Retirement System of Ohio elected early adoption of Statement No. 27 of the *Governmental Accounting Standards Board* ("GASB") "Accounting for Pensions by State and Local Governmental Employers" which has an effective date of 1998. Accordingly, the following footnote disclosure has been prepared in accordance with GASB No. 27. The early adoption of GASB No. 27 has no impact on the Commission's general purpose financial statements.

**Plan Description** – All employees of the Commission are required to be members of the Public Employees Retirement System of Ohio (PERS), a cost-sharing, multiple-employer pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

**Funding Policy** – The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 8.5% of their covered payroll to PERS. The current employer contribution rate for local government employer units was 13.55% of covered payroll including 4.2% that is used to fund postretirement health care benefits. The Commission's total contributions to PERS for pension benefits (excluding the amount relating to postretirement benefits) for the year ended June 30, 1999 was approximately \$20,666.52.

**Other Postemployment Benefits Provided Through PERS** – In addition to the pension benefits described previously, PERS provides postretirement healthcare coverage to age and service retirants with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The healthcare coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12.

A portion of each employer's contribution to PERS is set aside for the funding of post retirement healthcare. The Ohio Revised Code provides statutory authority requiring public employers to fund postretirement healthcare through their contributions to PERS. The portion of the employer contribution rate used to fund health care for 1999 was 4.2 percent of covered payroll. Approximately \$9,283.36, of the Commission's total contribution to PERS was used for postretirement benefits. At June 30, 1999, the Commission was not responsible for paying premiums, contributions, or claims for OPEB under PERS for any retirees, terminated employees, or other beneficiaries.

OPEB was financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments to health care provisions are expected to be sufficient to sustain the program indefinitely.

During 1997, PERS adopted new calculation methodology for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions equal to 4.2 percent of member covered payroll are set aside to fund health care expenses. Under the prior method, which was actuarially based, accrued liabilities and normal cost rates were computed to determine the amount of employer contributions necessary to fund OPEB.

Total PERS expenditures for OPEB during 1998 were \$441 million. As of December 31, 1998, the unaudited estimated net assets available for future OPEB payments was \$9.4 billion. The number of PERS benefit recipients eligible for OPEB at December 31, 1998 was 115,579.

## **ACCRUED AND WITHHELD EMPLOYEE BENEFITS**

Accrued and withheld employee benefits of \$19,475.29 along with accrued interest of \$4,900.03 combine to create a total accrued employee benefit liability of \$24,375.32 at June 30, 1999. During the 1996 fiscal year, the Commission hired an outside consultant to calculate the accrued liability by current and former employees and the general ledger was adjusted to agree to this analysis.

## **ACCRUED AND WITHHELD EMPLOYEE BENEFITS (continued)**

Interest on the outstanding accrued retirement amount was calculated at the 90 day T-Bill rate on a quarterly basis beginning July 1, 1985. The 90-day T-Bill rate over the period ranged from a high of 8.53% for the quarter beginning January 1, 1989 to a low of 2.99% for the quarter beginning January 1, 1993. Over the nine-year period, the weighted average rate approximated 6.06%. Due to the fact that some employees hired over the period were never properly enrolled in the ICMA retirement program, no records existed as to their desired investment selections. Also, the fact that the Agency had not maintained adequate records, actual results could not be determined for employees that had been properly enrolled. Therefore, the Commission selected a 90-day T-Bill rate due to the ease in computation over quarterly gross pay calculations.

In accordance with the Commission's debt reduction plan, the calculations noted above are subject to the acceptance of all employees involved. As of the writing of this report, the acceptance of the calculations has not yet been accepted by all individuals involved. The action the employees and former employees will take in relation to these calculations is currently unknown.

## **DEBT REDUCTION PLAN**

The Commission has developed a debt reduction plan to repay all old outstanding debt over a nine year period. The debt reduction plan calls for local per capita dollars and old outstanding receivables to be used for the reduction of the debt. The Commission's debt reduction plan intends to eliminate the debt by fiscal year 2004.

This debt reduction plan makes numerous assumptions including the acceptance of the plan by the employees and former employees, the continuing support of per capita dues at the current level and the continued funding of the federal and state projects. The plan also assumes that the local dollars will not be needed for project deficits and additional accrued interest on unpaid ICMA amounts. Based upon the uncertainty of some of the assumptions, it is not possible to effectively evaluate the reasonableness of the debt reduction plan to meet its desired goals. As of June 30, 1999, the Commission still has \$24,375.32 remaining of the debt; however, the Commission is well ahead of its fiscal year 2004 goal.

## **CONTINGENCIES**

### **Grant Agreements**

The Commission receives the majority of its revenues from governmental grants, most of which are subject to review by the respective grantor agency. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and reviewed by the state or federal government. Until such reviews have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs.

### **Other**

The Commission's employees were determined to be public employees by the Ohio PERS board on September 13, 1996. The agreement between the Commission and the board stipulates that the Commission forward all contributions that should have been made to PERS for all active employees as of December 31, 1996 from their date of hire. As previously disclosed, the amount due PERS was estimated at \$157,193.10. However, this amount did not include any interest the PERS board could assess on the amounts. The Agency paid \$158,251.92 to Ohio PERS on January 16, 1998. At this time, the amount of interest due is unknown, if any.

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES - INDIRECT COSTS  
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>ALLOCATION OF INDIRECT COSTS</u>	<u>UNALLOCATED AGENCY MANAGEMENT</u>	<u>TOTAL AGENCY MANAGEMENT</u>
PERSONNEL	\$61,458.99	\$-	\$61,458.99
FRINGE BENEFITS	36,704.03	-	36,704.03
TRAVEL	1,556.98	-	1,556.98
RENT	5,500.00	-	5,500.00
AUDIT AND PERSONAL SERVICE CONTRACTS	9,953.30	-	9,953.30
INSURANCE	3,089.00	-	3,089.00
TELEPHONE	4,382.06	-	4,382.06
EQUIPMENT COSTS	8,493.91	-	8,493.91
EQUIPMENT REPAIRS AND MAINTENANCE	-	-	0.00
SUPPLIES	6,834.61	-	6,834.61
POSTAGE	3,933.63	-	3,933.63
PHOTOCOPYING	-	-	0.00
DUES AND PUBLICATIONS	500.00	-	500.00
ADVERTISING	2,546.31	-	2,546.31
INTEREST AND PENALTIES	-	-	0.00
LOCAL MATCH AND REVENUE	-	24,507.78	24,507.78
OTHER	4,551.78	-	4,551.78
	<u>\$149,504.60</u>	<u>\$24,507.78</u>	<u>\$174,012.38</u>

**INDIRECT COST RATE COMPUTATION**

<u>TOTAL INDIRECT COSTS</u>	=	<u>128.82%</u>
DIRECT PERSONNEL COSTS		\$116,053.20

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF FRINGE BENEFITS  
FOR THE YEAR ENDED JUNE 30, 1999**

SALARY BENEFITS		\$28,025.03
PAYROLL BENEFITS:		
SOCIAL SECURITY	\$2,729.11	
UNEMPLOYMENT INSURANCE	1,563.98	
WORKERS COMPENSATION	<u>729.04</u>	5,022.13
OTHER BENEFITS:		
HEALTH INSURANCE	43,015.33	
WV PERS	0.00	
OHIO PERS	<u>29,949.88</u>	72,965.21
TOTAL FRINGE BENEFITS		<u><u>\$106,012.37</u></u>

**RINGE BENEFIT RATE COMPUTATION**

<u>TOTAL FRINGE BENEFITS</u>	<u>\$106,012.37</u>	=	<u>59.721%</u>
TOTAL PERSONNEL COSTS	\$177,512.19		

BROOKE-HAMCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL GRANT OR PASS-THROUGH GRANT/PROGRAM TITLE	REVENUES RECORDED			EXPENDITURES						TOTAL		
	FEDERAL	STATE	LOCAL	TOTAL	PERSONNEL	FRINGE BENEFITS	TRAVEL	OTHER	DIRECT		INDIRECT	
FEDERAL HIGHWAY ADMINISTRATION HIGHWAY PLANNING AND RESEARCH												
OHIO DEPARTMENT OF TRANSPORTATION FY99	\$104,810.16	\$13,099.31	\$13,114.97	\$131,024.44	\$40,814.77	\$24,375.06	\$3,162.96	\$10,092.35	\$78,445.14	\$62,578.29	\$131,024.44	
WV DEPARTMENT OF TRANSPORTATION FY99	75,833.31	18,948.59	-	94,779.90	28,998.50	17,318.24	2,528.11	8,576.97	57,422.82	37,357.09	94,779.90	
FEDERAL TRANSIT ADMINISTRATION TRANSIT TECHNICAL STUDIES; FTA SECTION 8												
PASS THROUGH - OHIO DEPART. OF TRANSPORTATION-FY99	5,356.98	869.62	869.62	6,696.22	2,171.07	1,286.59	243.68	188.02	3,899.36	2,796.86	6,696.22	
PASS THROUGH - WV DEPART. OF TRANSPORTATION-FY99	6,660.98	1,665.25	-	8,326.23	2,638.83	1,696.38	75.85	59.07	4,668.13	3,667.10	8,326.23	
FEDERAL TRANSIT ADMINISTRATION TRANSIT CAPITAL AND OPERATING FORMULA GRANT												
PASS THROUGH - CITY OF WEIRTON, WV	2,630.79	867.70	-	3,268.49	1,128.15	672.55	10.85	28.19	1,837.74	1,450.75	3,268.49	
FEDERAL TRANSIT ADMINISTRATION RIDESHARE PROGRAM												
OHIO DEPART. OF TRANSPORTATION STP-2M69(8)	15,043.41	-	1,671.48	16,714.89	4,106.36	2,452.36	408.82	4,455.40	11,424.94	5,288.95	16,714.89	
APPALACHIAN REGIONAL COMMISSION: APPALACHIAN LOCAL DEVELOPMENT DISTRICT ASSISTANCE												
302(a)(1) GRANT#WV-2436-98-C25-302 (1998-12/98)	26,637.00	8,877.78	-	35,514.78	10,268.98	6,131.56	1,001.98	3,082.20	20,462.73	13,226.35	33,709.08	
302(a)(1) GRANT#WV-2436-98-C26-302 (1998-12/98)	22,020.00	22,020.00	-	44,040.00	12,994.35	7,724.55	1,262.30	3,882.86	25,004.16	16,662.57	42,466.73	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WV GOVERNOR'S OFFICE OF COMMUNITY DEVELOPMENT AND THE GRANTEE COUNTY OR MUNICIPALITY:												
FEDERAL COMMUNITY DEVELOPMENT FUNDS												
HAMCOCK COUNTY, WV - OFSD WATER	-	-	1.44	1.44	-	-	-	1.44	1.44	-	1.44	
BROOKE COUNTY, WV-WINDSOR HEIGHTS SEWER	6,688.46	-	-	6,688.46	1,384.95	833.08	688.56	96.28	3,022.87	1,797.03	4,819.90	
U.S. ENVIRONMENTAL PROTECTION AGENCY: CONSTRUCTION FOR WASTEWATER TREATMENT WORKS PASSED THROUGH GRANTEE COUNTY OR MUNICIPALITY:												
CITY OF NEW CUMBERLAND, WV	-	-	-	0.00	-	-	-	-	0.00	-	0.00	
U.S. DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM PASSED THROUGH JEFFERSON COUNTY, OHIO												
AIRPARK OBSTRUCTION REMOVAL	644.53	-	-	644.53	220.39	131.62	-	0.12	352.13	283.92	636.05	

BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF CONTRACTS AND EXPENDITURES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1999

FEDERAL AGENCY/TITLE	REVENUES RECORDED		EXPENDITURES						TOTAL		
	FEDERAL	STATE	LOCAL	TOTAL	PERSONNEL	FRINGE BENEFITS	TRAVEL	OTHER		TOTAL DIRECT	INDIRECT
WV DIVISION OF ENVIRONMENTAL PROTECTION											
BROOKE COUNTY PSD - FRANKLIN MANOR SEWER	\$ -	\$9,694.65	\$ -	\$9,694.65	\$2,655.25	\$1,585.75	\$296.67	\$325.47	\$4,863.14	\$3,420.60	\$5,283.74
BROOKE COUNTY PSD - BEECH BOTTOM SEWER	-	-	0.00	0.00	-	-	-	-	0.00	-	0.00
JEFFERSON COUNTY PSD - SEWER	-	-	(0.33)	(0.33)	-	-	-	-	3.12	-	3.12
COLLIERS SEWER PROJECT	-	1,929.33	-	1,929.33	697.05	309.17	-	83.42	1,100.94	820.69	1,921.63
HANCOCK COUNTY - ROUTE 2 SEWER	-	16,414.35	-	16,414.35	4,769.95	2,646.97	271.55	646.99	6,448.77	6,144.85	14,593.62
HANCOCK COUNTY P.S.D. - SEWER	-	-	0.00	0.00	-	-	9.30	0.37	9.67	-	9.67
LOCAL CONTRACTS AND PROJECTS											
JEFFERSON COUNTY INDUSTRIAL PARK	-	-	9,049.85	9,049.85	3,118.62	1,852.48	92.38	81.72	5,165.20	4,017.55	9,172.75
CITY OF FOLLANSBEE - RAYMOND STREET	-	-	0.41	0.41	-	-	-	0.41	0.41	-	0.41
TOTAL ALL CONTRACTS AND PROJECTS	\$266,926.62	\$92,974.32	\$24,597.78	\$384,508.72	\$116,053.23	\$69,308.35	\$10,065.02	\$31,498.00	\$226,825.41	\$145,504.60	\$376,430.01

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 1999**

FEDERAL GRANTOR/PASS-THROUGH GRANT/PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	EXPENDITURES
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
FEDERAL HIGHWAY ADMINISTRATION HIGHWAY PLANNING AND CONSTRUCTION	20.205			
OHIO DEPARTMENT OF TRANSPORTATION F.Y. 1999		N/A	\$112,046.20	\$104,810.16
OHIO DEPARTMENT OF TRANSPORTATION (RIDESHARE) - F.Y. 1999		N/A	17,194.00	15,043.41
WV DEPARTMENT OF TRANSPORTATION F.Y. 1999		N/A	89,406.80	75,833.31
SUBTOTAL - HIGHWAY PLANNING AND CONSTRUCTION				<u>195,686.88</u>
FEDERAL TRANSIT ADMINISTRATION TRANSIT CAPITAL AND OPERATING FORMULA GRANT	20.507			
PASS THROUGH - CITY OF WEIRTON, WV		WV-90-2073	10,000.00	<u>2,630.79</u>
FEDERAL TRANSIT ADMINISTRATION TRANSIT TECHNICAL STUDIES:FTA SECTION 8	20.505			
OHIO DEPARTMENT OF TRANSPORTATION F.Y. 1999		N/A	10,176.00	5,356.98
WV DEPARTMENT OF TRANSPORTATION F.Y. 1999		N/A	9,601.60	6,660.98
SUBTOTAL - TRANSIT TECHNICAL STUDIES:FTA SECTION 8				<u>12,017.96</u>
FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM PASSED THROUGH JEFFERSON COUNTY, OHIO	20.106			
AIRPARK OBSTRUCTION REMOVAL		89-1-3-39- 0074-03-93	11,299.16	636.05
SUBTOTAL - FEDERAL AVIATION ADMINISTRATION				<u>636.05</u>
SUBTOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>210,971.68</u>

**BROOKE-HANCOCK-JEFFERSON  
METROPOLITAN PLANNING COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1998**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANT/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>EXPENDITURES</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
PASSED THROUGH WV GOVERNOR'S OFFICE OF COMMUNITY DEVELOPMENT AND THE GRANTEE COUNTY OR MUNICIPALITY:				
COMMUNITY DEVELOPMENT BLOCK GRANTS	14.219			
BROOKE COUNTY, WV - WINSOR HEIGHTS SEWER		WV#B-94-DC 54-0001	90,000.00	\$4,819.90
SUBTOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>4,819.90</u>
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>				
APPALACHIAN LOCAL DEVELOPMENT DISTRICT ASSISTANCE	23.009			
302(a)(1)GRANT#WV-2436-98-C25-302 (01/98-12/98)		WV-2436-98 C25-302	50,445.00	26,637.00
302(a)(1)GRANT#WV-2436-99-C26-302 (01/99-12/99)		WV-2436-99 C26-302	44,040.00	22,020.00
SUBTOTAL APPALACHIAN REGIONAL COMMISSION				<u>48,657.00</u>
TOTAL FEDERAL FINANCIAL EXPENDITURES				<u>\$264,448.58</u>

Brooke-Hancock-Jefferson  
**Metropolitan Planning Commission**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 1999**

**BASIS OF PRESENTATION**

The accompanying 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, 1999. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 general purpose financial statements of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the year ended June 30, 1999, and, have issued our report thereon dated January 12, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Brooke-Hancock-Jefferson Metropolitan Planning Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

**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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgment, could adversely affect Brooke-Hancock-Jefferson Metropolitan Planning Commission's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, and 99-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the executive committee, management and 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.*

Steubenville, Ohio  
January 12, 2000



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND 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 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, 1999. Brooke-Hancock-Jefferson Metropolitan Planning Commission's major federal program is identified in the summary of 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 generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance with those requirements.

In our opinion, Brooke-Hancock-Jefferson Metropolitan Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

### 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 Brooke-Hancock-Jefferson Metropolitan Planning Commission'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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Brooke-Hancock-Jefferson Metropolitan Planning Commission's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 99-1, 99-2, and 99-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the executive committee, management and 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.*

Steubenville, Ohio  
January 12, 2000

**Brooke-Hancock-Jefferson  
Metropolitan Planning Commission  
SUMMARY OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999**

Prior Audit  
Findings

- 98-1      The general ledger system is not properly utilized to reconcile revenue postings to respective projects billings. No steps have been taken to correct this finding. This comment has been reported in the June 30, 1999 audit as finding 99-1.
- 98-2      Local cash is not being allocated to the federal grants properly on the general ledger system. No steps have been taken to correct this finding. This comment has been repeated in the June 30, 1999 audit as finding 99-2.
- 98-3      The Commission has obligations past the liquidation period mandated by regulations. The Commission does not have sufficient cash to liquidate obligations within the period mandated by regulations as described in the notes to the financial statements. This comment has been repeated in the June 30, 1999 audit as finding 99-3.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMM.  
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.**

By: Susan Babbitt

Date: APRIL 27, 2000