

Brooke-Hancock-Jefferson
Metropolitan Planning Commission
Steubenville, Ohio

**Financial Statements and
Supplementary Information
Together with Auditor's Report
As of June 30, 2010**



Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by S.R. Snodgrass, A. C., for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

March 24, 2011

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**Brooke-Hancock-Jefferson
Metropolitan Planning Commission
AUDIT REPORT
JUNE 30, 2010**

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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010**

SUMMARY OF AUDITOR RESULTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor’s report issued:

An unqualified opinion has been issued on the financial statements of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2010, dated January 20, 2011.

Internal control over Financial Reporting

Material weakness(es) identified?	___ Yes	<u>X</u> No
Significant deficiencies identified?	___ Yes	<u>X</u> None reported
Noncompliance material to financial statements noted?	___ Yes	<u>X</u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	___ Yes	<u>X</u> No
Significant deficiencies identified?	___ Yes	<u>X</u> None reported

An unqualified opinion has been issued on the compliance for major programs of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2010, and dated January 20, 2011.

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	Highway Planning and Research

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

Brooke-Hancock-Jefferson Metropolitan Planning Commission was determined to be a low-risk auditee for the year ended June 30, 2010.

SECTION 2 – FINANCIAL STATEMENTS FINDINGS

We noted no findings related to the financial statements which are required to be reported in accordance with GAGAS.

SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended June 30, 2010.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2010**

None



REPORT ON INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying financial statements of the government-wide activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission (“BHJ”), as of and for the year ended June 30, 2010, which collectively comprise the BHJ’s basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Brooke-Hancock-Jefferson Metropolitan Planning Commission’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States’ *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Brooke-Hancock-Jefferson Metropolitan Planning Commission’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government-wide activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2011 on our consideration of the Brooke-Hancock-Jefferson Metropolitan Planning Commission’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Brooke-Hancock-Jefferson
Metropolitan Planning Commission
Page 2

Management's Discussion and Analysis and Budget Comparison on pages 6 through 9, are supplementary information required by accounting principles generally accepted in the United States of America. The Audited Rates, Indirect and Fringe Comparisons, Schedule of Agency Management Expenditures and Schedule of Contract Revenue and Expenditures – Indirect Costs, Schedule of Fringe Benefits and Schedule of Contract Revenue and Expenditures on pages 34 through 39 are additional supplementary information. None of these supplementary schedules are a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the BHJ's basic financial statements. The accompanying schedule of expenditures of federal awards included on pages 26 through 28 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the BHJ. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

S. R. Smodgrass, A.C.

Steubenville, Ohio
January 20, 2011

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2010

The following Management's Discussion and Analysis (MD&A) provides an overview of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (BHJ) financial performance and provides an introduction to the financial statements for the year ended June 30, 2010. BHJ's mission is not achievable in a one audit year. Through the MD&A, BHJ's management has explains program priorities and compare these priorities over multiple years. As a result, a fuller and more complete financial picture is unveiled.

According to the US Federal Accounting Standards Board (*Statement of Recommendations: Accounting Standard #15. April 1999*), the federal mandate for a MD&A is:

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

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

Fundamental Principles of the Financial Audit Statement

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

Financial FY 09 to FY 10 Comparison

- Total net assets (i.e., total assets minus total liabilities) increased by \$13,488 or 14%. This change occurred due to a \$38,948 increase in "cash and cash equivalents" while "grants receivable" increased \$51,288 or 58%.
- Over the last five years, the audit year 2010 ranked as the second largest accumulated Net Asset year. The low Net Asset year was 2006.
- Revenue in 2010 increased \$119,635 over the previous year. The change was largely due to a \$99,000 Rideshare Green rider solicitation program. This program has been refunded for the forthcoming FY 12 year.

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS(CONTINUED) YEAR ENDED JUNE 30, 2010

Financial FY 09 to FY 10 Comparison (Continued)

- Expenses in 2010, driven by the above revenue generation, increased \$85,628 or 12.7%.
- When compared to 2009, Indirect Costs in 2010 increased 2% while fringe costs remained static at 0% during the same comparison period. The primary driver for indirect costs is “personnel” while the primer fringe costs driver is “health insurance.”
- A major accounting change for 2008 was the incorporation of “agency management” expenditures or overhead administrative costs into BHJ’s general programs. This change was suggested by the Ohio Department of Transportation Auditor to better illustrate program impact.

Long Term Debt

Long term debt at June 30, 2010 was \$0. Under Ohio Revised Code, BHJ does not have the authority to incur debt; however, BHJ may enter into capital leases. The last year BHJ had discrepancies related to long term debt was FY 2001.

Economic Conditions

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

Contacting BHJ

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

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2010**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Net Assets	\$ 60,310	\$ 82,984	\$121,264	\$ 94,310	\$107,798
Assets					
Cash bank/in hand	\$ 37,806	\$100,284	\$103,014	\$ 45,089	\$ 84,037
Accounts receivable	18,270	9,135	9,135	18,270	19,312
Grants receivable	68,825	74,722	69,559	88,427	139,715
Property/equipment	<u>12,488</u>	<u>26,536</u>	<u>23,722</u>	<u>29,490</u>	<u>27,738</u>
Total Assets	\$ 137,389	\$210,677	\$205,430	\$181,276	\$270,802
Liabilities					
Accounts payable	\$ 13,908	\$ 34,079	\$ 26,260	\$ 17,530	\$ 50,439
Lease payable	8,672	5,084	1,495	13,698	10,978
Accrued/Withheld					
Benefits	10,090	9,459	1,093	15,455	26,554
Accrued payroll	10,986	11,313	12,873	14,526	17,996
Accrued/Withheld					
Tax	2,188	3,548	1,979	6,609	8,670
Due to grantors	17,088	36,911	21,577	14,022	14,022
Deferred revenue	<u>14,146</u>	<u>27,300</u>	<u>18,889</u>	<u>5,126</u>	<u>34,345</u>
Total Liabilities	\$ 77,078	\$127,694	\$ 84,166	\$ 86,966	\$163,004
Revenue					
Fed. grants/projects	\$411,517	\$403,437	\$528,155	\$406,781	\$485,093
State financial assistance	100,525	102,222	75,262	119,100	176,063
Per capita dues	104,114	103,650	104,280	104,121	105,847
Other	<u>-</u>	<u>97,615</u>	<u>57,958</u>	<u>20,686</u>	<u>3,320</u>
Total Revenues	\$ 616,156	\$706,924	\$765,655	\$650,688	\$770,323
Expenditures					
Trans. Planning	\$ 270,500	\$290,140	\$340,569	\$406,335	\$450,707
Economic development	74,088	82,867	-	65,696	107,498
Transit studies	60,020	72,059	109,472	58,645	53,388
Comm. Development	77,075	92,515	103,153	105,336	98,694
Environmental Protection	137,674	133,269	174,180	41,634	46,548
Homeland Security	<u>-</u>	<u>13,401</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	\$ 619,357	\$684,251	\$727,374	\$677,646	\$756,835

Source: BJJ Annual Audits.

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
FOR THE YEAR-ENDING JUNE 30, 2010**

	<u>Budget</u> <u>FY 2010</u>	<u>Actual</u> <u>FY 2010</u>	Difference (Over Bdgt.) <u>Under Bdgt.</u>
Wages paid for time worked:			
Direct Labor	\$201,738	\$175,003	\$ 26,735
Indirect Labor	<u>77,778</u>	<u>107,992</u>	<u>(30,214)</u>
Total Labor – base for fringe allocation	<u>\$279,516</u>	<u>\$282,995</u>	<u>\$ (3,479)</u>
Fringe Benefits			
Holiday	\$ 15,354	\$ 14,872	\$ 482
Sick Leave	5,107	7,713	(2,606)
Vacation	23,123	22,272	851
Other Leave	<u>-</u>	<u>3,271</u>	<u>(3,271)</u>
Subtotal Fringe Benefit Wages	\$ 43,584	\$ 48,128	\$ (4,544)
Other Fringe Benefits			
PERS	\$ 49,639	\$ 51,178	\$ (1,539)
Hospitalization	76,000	79,314	(3,314)
Medicare	4,550	2,113	2,437
Workers Comp	1,715	1,268	447
Employment Services	500	363	137
Vision	4,300	4,379	(79)
Dental	4,300	4,361	(61)
Life	<u>1,140</u>	<u>1,255</u>	<u>(115)</u>
Subtotal Other Fringe Benefits	\$142,144	\$144,231	\$ (2,087)
TOTAL FRINGE BENEFITS	<u>\$185,728</u>	<u>\$192,359</u>	<u>\$ (6,631)</u>
Indirect Costs			
Salaries – Indirect Only	\$ 77,778	\$107,992	\$(30,214)
Fringe Benefits for Indirect Salaries	51,681	73,405	(21,724)
Advertising	500	404	96
Finance Consulting/Audit	5,000	12,375	(7,375)
Depreciation	7,000	6,163	837
Equipment Expense	2,000	570	1,430
Furniture and Fixture	100	110	(10)
Insurance/Bonds	4,000	2,468	1,532
Legal Service	1,500	-	1,500
Meeting Charge	200	-	200
Memberships, Subscriptions	450	655	(205)
Miscellaneous	300	241	59
Photocopy & Printing	200	752	(552)
Postage	4,000	3,183	817
Publications and Printing	450	132	318
Rent	33,000	32,761	239
Software/Technical Support	2,000	1,987	13
Supplies	8,714	3,219	5,495
Telephone	5,500	3,968	1,532
Travel	<u>500</u>	<u>250</u>	<u>250</u>
TOTAL INDIRECT COSTS	<u>\$204,873</u>	<u>\$250,635</u>	<u>\$(45,762)</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2010**

	<u>Government-wide Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 84,037
Accounts receivable	19,312
Grants and contributions receivable	<u>139,715</u>
Total current assets	243,064
Capital assets	
Property, plant, and equipment, net of accumulated depreciation	<u>\$ 27,738</u>
Total capital assets	27,738
TOTAL ASSETS	<u>\$270,802</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 50,439
Accrued and withheld employee benefits	26,554
Accrued payroll	17,996
Accrued and withheld payroll taxes	8,670
Due to grantors	14,022
Deferred revenue	34,345
Capital lease obligation – current	<u>2,894</u>
Total current liabilities	154,920
Long-Term Liabilities	
Capital lease obligation – long-term	<u>\$ 8,084</u>
Total long-term liabilities	8,084
TOTAL LIABILITIES	<u>\$163,004</u>
NET ASSETS	
Investments in capital assets, net of related debt	\$ 16,760
Unrestricted	<u>91,038</u>
TOTAL NET ASSETS	<u>\$107,798</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$270,802</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

FUNCTIONS/PROGRAMS	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Government- Wide Activities</u>
Primary Government-wide:				
Transportation planning	\$291,958	\$158,749	\$410,256	\$ (40,451)
Transit studies and capital planning	31,424	21,964	48,252	(5,136)
Community development projects	57,125	41,569	50,007	(48,687)
Environmental protection projects	36,372	10,176	54,360	7,812
Economic development projects	<u>77,122</u>	<u>30,376</u>	<u>63,052</u>	<u>(44,446)</u>
TOTAL PRIMARY GOVERNMENT-WIDE	<u>\$494,001</u>	<u>\$262,834</u>	<u>\$625,927</u>	<u>\$(130,908)</u>
General Government-wide Revenues:				
Per Capita revenues				\$ 105,847
West Virginia Development Office				38,400
Other revenues				<u>149</u>
TOTAL GENERAL GOVERNMENT-WIDE REVENUES				<u>\$ 144,396</u>
CHANGES IN NET ASSETS				13,488
Net Assets, Beginning				<u>94,310</u>
NET ASSETS, ENDING				<u>\$ 107,798</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2010**

CURRENT ASSETS	General Fund
Assets	
Cash and cash equivalents	\$ 84,037
Accounts receivable	19,312
Grants receivable	<u>139,715</u>
TOTAL CURRENT ASSETS	<u>\$243,064</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 50,439
Accrued and withheld employee benefits	26,554
Accrued payroll	17,996
Accrued and withheld payroll taxes	8,670
Due to grantors	14,022
Deferred revenue	<u>34,345</u>
TOTAL LIABILITIES	<u>152,026</u>
 Fund Balance	
Fund balance – unrestricted	<u>91,038</u>
TOTAL FUND BALANCE	<u>91,038</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$243,064</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILITATION OF GENERAL FUND BALANCE
TO NET ASSETS OF GOVERNMENT-WIDE AGENCY
JUNE 30, 2010**

General Fund Balance	\$ 91,038
Amounts reported for government-wide activities in the Statement of net assets are different because:	
Capital assets of \$99,053 net of accumulated depreciation of \$71,315, are not financial resources and, therefore, are not reported in the fund.	27,738
Long-term liabilities are not due and payable and are reported in the fund.	<u>(10,978)</u>
Net Assets of Government-wide Agency	<u>\$107,798</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund
REVENUES	
Federal grants and projects	\$485,093
State financial assistance	176,063
Per capita dues	105,847
Project fees	3,275
Other	<u>45</u>
TOTAL REVENUES	<u>\$770,323</u>
EXPENDITURES	
Transportation planning	\$450,998
Transit studies and capital planning	53,527
Community development projects	98,828
Environmental protection projects	46,672
Economic development projects	<u>107,778</u>
TOTAL EXPENDITURES	<u>\$757,803</u>
 NET CHANGES IN FUND BALANCE	 \$ 12,520
 GENERAL FUND BALANCE, BEGINNING	 <u>78,518</u>
GENERAL FUND BALANCE, ENDING	<u>\$ 91,038</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILITATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2010**

Net Change in Fund Balances - General Fund	\$12,520
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Amounts reported for government-wide agency in the statement of activities are different because:

<p>General agency funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-wide Agency. This is the amount by which depreciation of \$9,226 exceeded capital outlays of \$7,474 in the current period.</p>	(1,752)
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<p>General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.</p>	<u>2,720</u>
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Change in Net Assets of Government-wide Agency	<u>\$13,488</u>
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The accompanying notes are an integral part of these financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

1. Summary of Significant Accounting Policies

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

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

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

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

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

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

Major individual governmental funds are reported as separate columns in the fund financial statements. The effect of internal activity has been removed from these statements. BHJ has only one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at BHJ.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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

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

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

General Fund

The Government-wide Agency – The Government-wide Agency is the general operating fund of BHJ. It is used to account for all financial resources.

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Expenses/Expenditures – On an accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Capital Assets – BHJ capitalizes at cost only non-program specific purchased property and equipment (See Note 3) costing \$500 and greater and with a useful life greater than one year. Capital assets are depreciated using the straight-line method over their estimated useful lives less any salvage value.

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

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

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

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

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

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

2. Deposits and Investments

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2010

	<u>Bank Balance</u>	<u>Carrying Balance</u>
PNC Bank	\$84,154	\$84,028
Petty cash	<u>-</u>	<u>9</u>
Total cash deposits and cash on hand	<u>\$84,154</u>	<u>\$84,037</u>

BHJ's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2010 the agency's balances were not in excess of the FDIC prescribed insured limits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

3. Capital Assets

A summary of changes in capital assets for the fiscal year ended June 30, 2010 is as follows:

Government-wide Activities:

Equipment	
Balance of July 1, 2009	\$ 91,579
Additions	<u>7,474</u>
Balance June 30, 2010	\$ 99,053
Accumulated Depreciation	
Prior Years	(62,088)
Current Year	<u>(9,227)</u>
Balance June 30, 2010	(71,315)
Net Capital Assets June 30, 2010	<u>\$ 27,738</u>

Direct and In-direct depreciation expense for the period ending June 30, 2010 included in the Government-wide expenditures consists of the following:

Transportation planning	\$ 6,611
Transit studies and capital planning	435
Community development projects	927
Environmental protection projects	379
Economic development projects	<u>875</u>
	<u>\$ 9,227</u>

4. Due to Grantors

Due to grantors of \$14,022 is comprised of amounts due to the following governmental entities at June 30, 2010:

U.S. Department of Commerce – ARC 2005	\$ 1,754
U.S. Department of Commerce – EDA 2009	<u>12,268</u>
Total due to grantor	<u>\$ 14,022</u>

5. Deferred Revenue

Deferred Revenue represents monies advanced to BHJ from local governments:

WV EDA	\$ 29,871
Local Per-Capita Revenues	<u>4,474</u>
Total deferred revenue	<u>\$ 34,345</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

6. GRANTS RECEIVABLE

Grants receivable of \$139,715 is comprised of amounts due from the following governmental entities at June 30, 2010:

WV Department of Transportation – FHWA (Federal)	\$ 18,249
WV Department of Transportation – FHWA (State)	2,282
WV Department of Transportation – FTA Section 8 (Federal)	2,194
WV Department of Transportation – FTA Section 8 (State)	274
Ohio Department of Transportation – FHWA (Federal)	37,746
Ohio Department of Transportation – FHWA (State)	4,718
Ohio Department of Transportation – FTA Section 8 (Federal)	5,913
Ohio Department of Transportation – FTA Section 8 (State)	739
Ohio Rideshare	32,394
Ohio Special Transportation Planning	523
Ohio Transit Service Option	4,550
Jefferson County Transit Study	527
Weirton Transit Administration	<u>1,849</u>
Total transportation	<u>111,958</u>
Wellsburg Sewer	1,833
EPA Petroleum	2,564
EPA Hazardous Waste	4,159
EPA Brooke County – Mahan Lane	3,307
Beech Bottom Water Project	13,810
Oakland PSD	<u>2,084</u>
Total other	<u>27,757</u>
Total grants receivable	<u>\$139,715</u>

7. CAPITAL LEASE OBLIGATIONS

Capital lease obligations at June 30, 2010 of \$10,978 consist of the following:

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

Maturity of obligation over next four years

2011	\$ 2,894
2012	3,082
2013	3,281
2014	<u>1,721</u>
Total	<u>\$10,978</u>

The Agency paid interest expense of \$783 on the capital lease obligation for fiscal year-ending June 30, 2010.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

8. Defined Benefit Pension Plan

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

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

- A. Ohio Public Employee Retirement System (OPERS) administers three separate pension plans as described below:
1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.
 2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years At 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any invest earnings.
 3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invest employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- B. OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- C. Authority to establish and amend benefits and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- D. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.
- E. The Ohio Revised Code provides statutory authority for member and employer contributions. The 2009 member contribution rates were 10.0% for members and the employer contribution rate was 14.00% of covered payroll. Internal Revenue Service law makes it possible for an employer to pay (pick up) employee contributions for member of PERS, and BHJ has opted to contribute 15.85% with plan members contributing 8.15% of covered payroll. BHJ's required contribution for the periods ended June 30, 2010, 2009, and 2008 were \$50,609, \$48,961 and \$47,267, respectively.
- F. Total required employer contributions for all plans are equal to 100% of employer charges and should be extracted from the employer's records.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

9. Other Post-Employment Benefits

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

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

OPERS provides retirement, disability, and survivor benefits as well as post-employment health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll. The portion of employer contributions allocated to health care was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009.

- B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through their contributions to OPERS.
- C. Summary of Assumptions:

Actuarial Review - The assumptions and calculations below were based on OPERS' latest actuarial review performed as of December 31, 2008.

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

Assets Valuation Method - All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return - The investment assumption rate for 2008 was 6.50%.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

9. Other Post-Employment Benefits (continued)

Active Employee Total Payroll - An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. In addition, annual pay increases over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care - Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .50% to 3% for the next 6 years. In subsequent years, (7 and beyond) health care costs were assumed to increase at 4% (the projected wage inflation rate).

D. OPEB is advance-funded on an actuarially determined basis. The following disclosures are required:

1. The Traditional Pension and Combined Plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388.
2. The rates stated in Section A, above, are the contractually required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment benefits. The portion of your employer contributions that were used to fund post-employment benefits can be approximated by multiplying actual employer contributions for January 1 through March 31, 2009 by 0.5000 for both state and local employers and 0.3971 for both law enforcement and public safety employers. For the period April 1 through December 31, 2009, multiply the actual employer contributions by 0.3929 for both state and local employers and 0.3120 for both law enforcement and public safety employers.
3. The amount of \$10.7 billion represents the actuarial funding value of OPERS' net assets available for OPEB at December 31, 2008.
4. Based on the actuarial cost method used, the Actuarial Valuation as of December 31, 2008, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

E. OPERS Retirement Board Implements its Health Care Preservation Plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006, with a final rate increase on January 1, 2011. These rates increases allowed additional funds to be allocated to the health care plan.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

9. Contingencies

Federal and State Grants – Under the terms of BHI’s various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At June 30, 2010, there were no significant questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. Management of the BHI believes there will be no material adjustments to the grants and, accordingly, has not recorded a provision for possible repayments under the above grants.

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

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

10. Risk Management

BHI 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.

BHI 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. BHI continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in prior years.

11. Subsequent Events

In December 2009, the Agency received a notice of levy against their landlord. The Agency was required to send any subsequent rental payments to the Internal Revenue Service. There was some confusion between the name listed on the levy and the name of the landlord. After contacting their attorney, he suggested putting all future payments into an escrow account until the matter could be resolved. An escrow account was opened in the Agency name and had a balance at June 30, 2010 of \$16,217.48. The account is not included in the Agency financial statements. In November 2010, the Agency received a Release of the Property from Levy. The Agency then sent all funds in the account, including interest, to the landlord.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Department of Transportation			
Federal Highway Administration - ARRA	20.205		
Pass-through from Ohio Department of Transportation			
Highway Planning & Construction		DOTC 134426	\$140,220
Transit Technical Studies – FTA Section 8		DOTC 134426	16,331
Special Transportation Planning			5,213
Jefferson County Transit Study		DOT1 E070000085	660
Rideshare Green – CMAQ – 2009		DOTC 14446-1	19,660
Rideshare Green – CMAQ – 2010		E070(661)	79,482
Pass-through from West Virginia Department of Transportation			
Highway Planning & Construction		OL 603	119,914
Transit Technical Studies – FTA Section 8			14,396
Pass-through from Steel Valley Regional Transit Authority			
Transit Service Option Plan		DOTC 516491	<u>4,551</u>
Total CFDA #20.205			<u>400,427</u>
Total U.S. Department of Transportation			<u>400,427</u>
Appalachian Regional Commission			
Appalachian Local Development District	23.009		
Pass-through from WV Region XI			
ARC Administrative – 2009		WV-2436-C36	31,764
ARC Administrative – 2010		WV-2436-C37	<u>13,301</u>
Total CFDA #23.009			<u>45,065</u>
Total Appalachian Regional Commission			<u>45,065</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Environmental Protections			
Brownsfield Assessment and Clean-up – ARRA	66.818		
EPA Petroleum – Administration Contract		BF97384901	12,393
EPA Hazardous Materials – Administrative Contract		BF97384801	12,170
Brownsfield			<u>831</u>
Total CFDA #66.818			<u>25,394</u>
Pass-through from the WV DEP – Brooke Cnty PSD	66.418		
Mahan/Eldersville Sewer		XP-98355901-0	<u>4,473</u>
Total CFDA #66.418			<u>4,473</u>
Pass-through from the City of Wellsburg	66.610		
Wellsburg Sewer		XP-98399701-1	<u>236</u>
Total CFDA #86.606			<u>236</u>
Total U.S. Environmental Protections			<u>30,103</u>
U.S. Department of Energy			
Pass-through from WV Division of Energy	81.128		
WV Energy Grant		10-183	<u>1,527</u>
Total CFDA #81.128			<u>1,527</u>
Total U.S. Department of Energy			<u>1,527</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U.S. Economic Development Administration			
Economic Development	11.302		
Pass-through from the WV EDA			
West Virginia Economic Development		01-83-08921	49,685
Pass-through from the Business Development Corporation			
Economic Development Adjustment			<u>510</u>
Total CFDA #11.302			<u>50,195</u>
Total U.S. Economic Development Administration			<u>50,195</u>
U.S. Department of Housing and Urban Development			
Pass-through from WV Development Office/ Brooke County Commission	14.218		
Mahan/Eldersville Sewer II		B-OR-DC-54-0001	<u>246</u>
Total CFDA #14.219			<u>246</u>
Total U.S. Department of Housing and Urban Development			<u>246</u>
Total Federal Awards			<u>\$527,563</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the “Schedule”) reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs financed by the U.S. Government for the year ended June 30, 2010. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

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



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

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

We have audited the government-wide statement of net assets and statement of activities and the balance sheet – governmental fund, statement of revenues, expenditures, and changes in fund balance – governmental fund, reconciliation of the balance sheet of governmental fund to statement of net assets, and the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental fund to the statement of activities of Brooke-Hancock-Jefferson Metropolitan Planning Commission (a nonprofit organization) as of and for the year ended June 30, 2010, and have issued our report thereon dated January 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Brooke-Hancock-Jefferson Metropolitan Planning Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

S. R. Smodgrass, A.C.

Steubenville, Ohio
January 20, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

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

Compliance

We have audited the compliance of Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Brooke-Hancock-Jefferson Metropolitan Planning Commission's major federal program is identified in the summary of the auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Brooke-Hancock-Jefferson Metropolitan Planning Commission's management. Our responsibility is to express an opinion on Brooke-Hancock-Jefferson Metropolitan Planning Commission's compliance based on our audit.

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

In our opinion, Brooke-Hancock-Jefferson Metropolitan Planning Commission complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered BHJ's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis.

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

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

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

S. R. Smolgrass, A. C.

Steubenville, Ohio
January 20, 2011

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
AUDITED RATES
AUDITED FRINGE, INDIRECT & COMBINED RATE 1998 TO 2010**

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0 %
1999	0.5792	1.2882	1.8854	17 %
2000	0.5655	1.0942	1.6597	(12)%
2001	0.5651	1.3223	1.8874	14 %
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	22 %
2004	0.7020	1.2558	1.9578	(7)%
2005	0.7553	1.3806	2.1359	9 %
2006	0.6415	1.4890	2.1305	0 %
2007	0.6620	1.1954	1.8616	(27)%
2008	0.6314	1.2770	1.9084	3 %
2009	0.7228	1.3266	2.0494	7%
2010	0.6645	1.0155	1.6805	(18)%
2011 Project	0.6878	0.9476	1.6354	(3)%

Source: BHJ Annual Audit Reports. 1998 – 2010 and
BHJ Budget and Overall Work Program 2011.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

**INDIRECT AND FRINGE COMPARISON 2009 TO 2010
INDIRECT COSTS**

	<u>2009</u>	<u>2010</u>	<u>Change</u>	<u>% Change</u>
TOTAL INDIRECT COSTS	\$267,850	\$262,834	(5,016)	(1.87)%
Personnel	94,785	107,992	13,207	13.93%
Travel	582	250	(332)	(57.04)%
Fringe Benefits	84,264	73,415	(10,849)	(12.88)%
Advertising	314	404	90	(28.66)%
Rent	31,456	32,761	1,305	4.15 %
Audit /Personal Service Contract	22,453	12,375	(10,078)	(44.88)%
Insurance	2,924	2,468	(456)	(15.60)%
Telephone	4,674	3,968	(706)	(15.10)%
Equipment Cost	9,321	12,646	3,325	35.67 %
Supplies	7,052	3,219	(3,833)	(54.35)%
Postage	3,132	3,183	51	1.63 %
Dues and Publications	834	787	(47)	(5.64)%
Other	6,059	9,366	3,307	54.58 %
INDIRECT COST RATE	1.326	1.432	.106	7.99 %

	<u>2009</u>	<u>2010</u>	<u>Change</u>	<u>% Change</u>
TOTAL FRINGE BENEFITS	\$195,592	\$192,359	(3,233)	(1.65)%
Salary Benefits	43,866	48,128	4,262	9.72 %
Payroll Benefits	5,210	3,744	(1,466)	(28.14)%
Health Insurance	91,321	89,309	(2,012)	(2.20)%
Ohio PERS	54,195	51,178	(3,017)	(5.57)%
FRINGE BENEFIT RATE	.723	.680	(.043)	(5.95)%

Source: BHI Annual Audits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$107,992	\$ -	\$107,992
Fringe benefits	73,405	10	73,415
Travel	250	-	250
Advertising	404	-	404
Rent	32,761	-	32,761
Audit and personal service contracts	12,375	-	12,375
Insurance	2,468	-	2,468
Telephone	3,968	-	3,968
Equipment costs	9,582	3,064	12,646
Supplies	3,219	-	3,219
Postage	3,183	-	3,183
Dues and publications	787	-	787
Other	<u>241</u>	<u>9,125</u>	<u>9,366</u>
 Total, Government-Wide Level	 <u>\$250,635</u>	 <u>\$12,199</u>	 \$262,834
 Less: Depreciation			 (9,226)
 Plus: Lease principal payments			 2,720
 Plus: Indirect capital asset additions			 <u>7,474</u>
 Total, Fund Level			 <u>\$263,802</u>

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	<u>\$250,635</u>	=	143.22%
Direct Personnel Costs	\$175,003		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2010**

Salary benefits		\$ 48,128
Payroll benefits:		
Medicare	\$ 2,113	
Unemployment insurance	363	
Workers compensation	<u>1,268</u>	3,744
Other benefits:		
Health insurance	89,309	
Ohio PERS	<u>51,178</u>	<u>140,487</u>
Total fringe benefits		<u>\$192,359</u>

FRINGE BENEFIT RATE COMPUTATION

<u>TOTAL FRINGE BENEFITS</u>	<u>\$192,359</u>	
TOTAL PERSONNEL COSTS	\$282,995	= 67.97%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010**

	Revenue Recorded				Expenditures				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	\$ 81,187	\$ 8,866	\$ 8,867	\$ 98,920	\$ 28,875	\$ 19,627	\$ 5,691	\$ 41,355	\$ 95,548
WV Department of Transportation	55,993	8,696	8,695	73,384	21,107	14,347	3,812	30,230	69,496
Short Range	23,875	2,985	2,984	29,844	10,814	7,351	507	15,488	34,160
TIP	23,278	2,910	2,910	29,098	9,695	6,590	2,796	13,885	32,966
Surveillance	37,772	4,721	4,722	47,215	16,782	11,407	1,688	24,036	53,913
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	16,022	2,045	2,045	20,112	6,629	4,506	358	9,494	20,987
WV Department of Transportation	20,118	1,818	1,818	23,754	5,812	3,950	412	8,323	18,497
Ohio Special Transportation Planning									
Ohio Department of Transportation	7,155	-	-	7,155	-	-	5,213	-	5,213
Ohio Long Range Finance Element									
Ohio Department of Transportation	33,560	4,195	4,194	41,949	14,942	10,156	1,414	21,400	47,912
Ohio Rideshare									
Ohio Department of Transportation	115,664	-	-	115,664	-	-	99,142	-	99,142
Ohio Services Option									
Ohio Department of Transportation	4,551	-	-	4,551	-	-	5,688	-	5,688

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010**

	Revenue Recorded				Expenditures				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Appalachian Regional Commission:									
Appalachian Local Development District									
302(a)(1) 0701/09 – 12/31/09	19,832	19,200	-	39,032	17,964	12,210	11,506	25,727	67,407
302(a)(1) 01/01/10 – 06/30/10	24,814	19,200	-	44,014	9,172	6,235	38	13,137	28,582
U.S. Environmental Protection									
EPA Petroleum	10,239	-	-	10,239	3,899	2,650	5,844	5,582	17,975
EPA Hazardous	10,506	-	-	10,506	1,574	1,070	9,526	2,252	14,422
WV Division of Environmental Protection									
WV Economic Development	-	63,052	-	63,052	19,604	13,325	44,192	28,077	105,198
WV Flex E	-	5,362	-	5,362	-	-	-	-	-
WV EPA Focus	-	12,000	-	12,000	-	-	-	-	-
Oakland PSD	-	5,793	-	5,793	1,930	1,311	11	2,764	6,016
Mahan Lane	-	8,387	-	8,387	2,725	1,852	141	3,902	8,620
Weirton North End	-	5,000	-	5,000	65	44	-	93	202
Wellsburg Sewer	-	1,833	-	1,833	256	174	-	367	797
Brownfield	-	-	-	-	258	175	397	370	1,200
Weirton Rail Yard	-	-	-	-	139	92	710	199	1,140
WV Energy Grant	-	-	-	-	887	594	46	1,270	2,797
Local Contracts and Projects									
Aerial Photos	-	-	105	105	-	-	-	-	-
Weirton Transit Administration	-	-	3,171	3,171	1,874	1,275	264	2,684	6,097
Jefferson County Transit Study	527	-	-	527	-	-	660	-	660
TOTALS	<u>\$485,093</u>	<u>\$176,063</u>	<u>\$39,511</u>	<u>\$700,667</u>	<u>\$175,003</u>	<u>\$118,941</u>	<u>\$200,056</u>	<u>\$250,635</u>	<u>\$744,635</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010**

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, 2010. The Schedule has been prepared in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Dave Yost • Auditor of State

BROOK HANCOCK JEFFERSON METRO 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 31, 2011**