

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
TOGETHER WITH AUDITOR'S REPORT
AS OF JUNE 30, 2011**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by S.R. Snodgrass, A. C., for the audit period July 1, 2010 through June 30, 2011. 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

April 4, 2012

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**Brooke-Hancock-Jefferson
Metropolitan Planning Commission
AUDIT REPORT
JUNE 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the government-wide activities and each major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission ("BHJ"), as of and for the year ended June 30, 2011, 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 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, 2011, 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 27, 2012, 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.

Management's Discussion and Analysis and Budget Comparison on pages 5 through 8, 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 – Indirect Costs, Schedule of Fringe Benefits and Schedule of Contract Revenue and Expenditures on pages 35 through 40 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 25 through 27 is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements 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. Snodgrass, A.C.

Wheeling, West Virginia
January 27, 2012

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2011

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

The following Management's Discussion and Analysis (MD&A) provides an overview of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (BHJ) financial performance and provides an introduction to the financial statements for the year ended June 30, 2011. This audit is a one-year snap shot of BHJ's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture.

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

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

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

Performance

BHJ continues to sustain a strong and fiscally accountable agency. Over the last 3 fiscal years, we have been fortunate to maintain and expand our program and revenue stream while the fringe/indirect rate structure has remained steady.

BHJ was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. Approximately 86 percent of BHJ's revenue is generated through federal and state grants. In 2011, 60 percent of funds were allocated to transportation, while 20 percent were distributed to environmental protection programs.

Financial Statement and System Control Statement

- BHJ's financial statement is prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives.
- The net assets statement presents information on all BHJ assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of BHJ is improving and deteriorating.

BROOKE-HANCOCK JEFFERSON METROPOLITAN PLANNING COMMISSION

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED) YEAR ENDED JUNE 30, 2011

- Statements of Revenues, Expenditures, and Changes in Fund Balances are operational measures. They provide a guideline to determine whether BHJ successfully recovered all of its cost through federal, state and local government and contracts, members' per capita fees, and other contributions and revenues.
- Statements of Cash Flow as illustrated by tables for Statement of Activities, Balance Sheet, and Fund Balances document cash receipts, cash disbursements, and net changes in cash resulting from operating activities, and capital and related financing activities.

Financial Highlights FY 10 to FY 11 Comparisons

- Total net year 2011 assets (i.e., total assets minus total liabilities) were comparable to year 2010.
- Over the last 5 years, the audit year 2011 ranked as the third largest accumulated Net Asset year. The low Net Asset year was 2007.
- Revenue in 2011 increased \$146,212 over the previous year. The change was largely due to a \$137,000 increase in the regional Brownfield Program. Program funds in this area will be exhausted in 2012. A continuation of this competitive grant program has been requested.
- Expenses in 2011, driven by the above revenue generation, increased 21 percent.
- When compared to 2010, Indirect Costs in 2011 declined 15 percent, while fringe costs declined 4 percent. The largest indirect category, that is "personnel cost", declined 12 percent during this period.
- A major accounting change for 2008 was the incorporation of "agency management" expenditures, or overhead administrative costs into BHJ's general programs. This change was suggested by the Ohio Department of Transportation Auditor to better illustrate program impact.

Long Term Debt

Long-term debt at June 30, 2011, was \$-0-. Under Ohio Revised Code, BHJ does not have the authority to incur debt; however, BHJ may enter into capital leases.

Contacting BHJ

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

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2011**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Net Assets	\$ 82,984	\$121,264	\$ 94,310	\$107,798	\$ 105,392
Assets					
Cash bank/on hand	\$100,284	\$103,014	\$ 45,089	\$ 84,037	\$ 72,477
Accounts receivable	9,135	9,135	18,270	19,312	19,312
Grants receivable	74,722	69,559	88,427	139,715	107,165
Property/equipment	26,536	23,722	29,490	27,738	16,810
Prepays	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,391</u>
Total Assets	<u>\$210,677</u>	<u>\$205,430</u>	<u>\$181,276</u>	<u>\$270,802</u>	<u>\$ 224,155</u>
Liabilities					
Accounts payable	\$ 34,079	\$ 26,260	\$ 17,530	\$ 50,439	\$ 45,514
Lease payable	5,084	1,495	13,698	10,978	8,084
Accrued/withheld benefits	9,459	1,093	15,455	26,554	8,239
Accrued payroll	11,313	12,873	14,526	17,996	5,285
Accrued/withheld taxes	3,548	1,979	6,609	8,670	913
Due to grantors	36,911	21,577	14,022	14,022	15,621
Deferred revenue	<u>27,300</u>	<u>18,889</u>	<u>5,126</u>	<u>34,345</u>	<u>35,107</u>
Total Liabilities	<u>\$127,694</u>	<u>\$ 84,166</u>	<u>\$ 86,966</u>	<u>\$163,004</u>	<u>\$ 118,763</u>
Revenue					
Fed. grants/projects	\$403,437	\$528,155	\$406,781	\$485,093	\$ 644,725
State financial assistance	102,222	75,262	119,100	176,063	165,110
Per capita dues	103,650	104,280	104,121	105,847	106,612
Other	<u>97,615</u>	<u>57,958</u>	<u>20,686</u>	<u>3,320</u>	<u>88</u>
Total Revenues	<u>\$706,924</u>	<u>\$765,655</u>	<u>\$650,688</u>	<u>\$770,323</u>	<u>\$ 916,535</u>
Expenditures					
Trans. Planning	\$290,140	\$340,569	\$406,335	\$450,707	\$ 503,951
Economic development	82,867	-	65,696	107,498	90,724
Transit studies	72,059	109,472	58,645	53,388	46,335
Comm. Development	92,515	103,153	105,336	98,694	94,215
Environmental Protection	133,269	174,180	41,634	46,548	183,716
Homeland Security	<u>13,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$684,251</u>	<u>\$727,374</u>	<u>\$677,646</u>	<u>\$756,835</u>	<u>\$ 918,941</u>

Source: BHJ Annual Audits.

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
FOR THE YEAR-ENDING JUNE 30, 2011**

	Budget FY 2011	Actual FY 2011	Difference (Over Bdgt.) Under Bdgt.
Wages paid for time worked:			
Direct labor	\$ 209,097	\$ 189,060	\$ 20,037
Indirect labor	79,422	96,268	(16,846)
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	<u>\$ 288,519</u>	<u>\$ 285,328</u>	<u>\$ 3,191</u>
Fringe Benefits			
Holiday	\$ 15,851	\$ 14,451	\$ 1,400
Sick leave	5,274	11,415	(6,141)
Vacation	23,870	22,357	1,513
Other leave	-	394	(394)
Subtotal Fringe Benefit Wages	<u>44,995</u>	<u>48,617</u>	<u>(3,622)</u>
Other Fringe Benefits			
PERS	52,129	53,665	(1,536)
Hospitalization	94,260	77,445	16,815
Medicare	4,836	4,670	166
Workers' Compensation	1,715	1,242	473
Employment services	500	520	(20)
Vision	3,000	-	3,000
Dental	3,000	-	3,000
Life	1,260	-	1,260
Subtotal Other Fringe Benefits	<u>160,700</u>	<u>137,542</u>	<u>23,158</u>
TOTAL FRINGE BENEFITS	<u>\$ 205,695</u>	<u>\$ 186,159</u>	<u>\$ 19,536</u>
Indirect Costs			
Salaries – indirect only	\$ 79,422	\$ 96,268	\$ (16,846)
Fringe benefits for indirect salaries	56,623	62,808	(6,185)
Advertising	500	557	(57)
Finance consulting/audit	1,500	12,936	(11,436)
Depreciation	4,000	7,157	(3,157)
Equipment expense	1,000	130	870
Furniture and fixture	-	33	(33)
Insurance/bonds	3,000	3,126	(126)
Legal service	-	1,200	(1,200)
Memberships and subscriptions	400	265	135
Miscellaneous	1,500	302	1,198
Photocopy and printing	200	(2,125)	2,325
Postage	4,000	3,253	747
Publications and printing	300	1,106	(806)
Rent	33,000	33,898	(898)
Software/technical support	1,000	(1,326)	2,326
Supplies	8,000	7,105	895
Telephone	5,000	3,433	1,567
Travel	700	297	403
TOTAL INDIRECT COSTS	<u>\$ 200,145</u>	<u>\$ 230,423</u>	<u>\$ (30,279)</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>Government-wide Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 72,477
Accounts receivable	19,312
Grants and contributions receivable	107,165
Prepays	8,391
Total current assets	<u>207,345</u>
CAPITAL ASSETS	
Property, plant, and equipment, net of accumulated depreciation	<u>16,810</u>
TOTAL ASSETS	<u>\$ 224,155</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 45,514
Accrued and withheld employee benefits	8,239
Accrued payroll	5,285
Accrued and withheld payroll taxes	913
Due to grantors	15,621
Deferred revenue	35,107
Capital lease obligation – current	3,082
Total current liabilities	<u>113,761</u>
LONG-TERM LIABILITIES	
Capital lease obligation – long-term	<u>5,002</u>
Total liabilities	<u>118,763</u>
NET ASSETS	
Investments in capital assets, net of related debt	8,726
Unrestricted	96,666
Total net assets	<u>105,392</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 224,155</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, 2011**

<u>FUNCTIONS/PROGRAMS</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Government Wide Activities</u>
Primary Government-wide:				
Transportation planning	\$ 371,011	\$ 132,940	\$ 427,957	\$ (75,994)
Transit studies and capital planning	30,794	15,541	38,161	(8,174)
Community development projects	57,595	36,620	65,436	(28,779)
Environmental protection projects	158,283	25,433	178,368	(5,348)
Economic development projects	70,833	19,891	63,433	(27,291)
Total Primary Government-Wide	<u>\$ 688,516</u>	<u>\$ 230,425</u>	<u>\$ 773,355</u>	<u>(145,586)</u>
General Government-wide Revenues:				
Per Capita revenues				106,612
West Virginia Development Office				36,480
Other revenues				<u>88</u>
Total General Government-Wide Revenues				<u>143,180</u>
Changes In net assets				(2,406)
NET ASSETS, BEGINNING OF YEAR				<u>107,798</u>
NET ASSETS, ENDING				<u>\$ 105,392</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2011**

**General
Fund**

CURRENT ASSETS

ASSETS

Cash and cash equivalents	\$ 72,477
Accounts receivable	19,312
Grants receivable	107,165
Prepays	<u>8,391</u>
TOTAL CURRENT ASSETS	<u>\$ 207,345</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	45,514
Accrued and withheld employee benefits	8,239
Accrued payroll	5,285
Accrued and withheld payroll taxes	913
Due to grantors	15,621
Deferred revenue	<u>35,107</u>
Total liabilities	<u>110,679</u>

FUND BALANCE

Fund balance – unrestricted	<u>96,666</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 207,345</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET ASSETS OF GOVERNMENT-WIDE AGENCY
JUNE 30, 2011**

General Fund Balance	\$ 96,666
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 \$82,243 are not financial resources and, therefore, are not reported in the fund.	16,810
Long-term liabilities are not due and payable and are reported in the fund.	<u>(8,084)</u>
Net Assets of Government-wide Agency	<u>\$ 105,392</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, 2011**

	<u>General Fund</u>
REVENUES	
Federal grants and projects	\$ 644,725
State financial assistance	128,630
Per capita dues	106,612
Local assistance	36,480
Other	88
Total revenues	<u>916,535</u>
EXPENDITURES	
Transportation planning	498,004
Transit studies and capital planning	46,116
Community development projects	93,645
Environmental protection projects	182,847
Economic development projects	<u>90,295</u>
Total expenditures	<u>910,907</u>
NET CHANGES IN FUND BALANCE	5,628
GENERAL FUND BALANCE, BEGINNING	<u>91,038</u>
GENERAL FUND BALANCE, ENDING	<u>\$ 96,666</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2011**

Net Change in Fund Balances - General Fund \$ (2,406)

Amounts reported for government-wide agency in the statement of activities are different because:

General agency funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-wide Agency. This is the amount by which depreciation of \$10,927 exceeded capital outlays of \$-0- in the current period.	10,927
General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.	<u>(2,893)</u>
Change in Net Assets of Government-wide Agency	<u>\$ 5,628</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 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 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 (CONTINUED)
JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, BHJ considers revenues to be available, if they are collected within 90 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

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

General Fund

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Net Assets – Net assets present the difference between assets and liabilities in the statement of net assets. Net assets are reported as restricted when there are legal 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 30 days.

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (continued) – Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution or may deposit surety company bonds which when executed shall be for an amount in excess of collateral requirements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations or of guaranteed by the United States and must mature or be redeemable within 5 years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2 percent and be marked to market daily. State law does not require security for public deposits and investments to be maintained in BHJ's name.

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2011:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
PNC Bank	\$ 99,291	\$ 72,438
Petty cash	<u>-</u>	<u>39</u>
Total cash deposits and cash on hand	<u>\$ 99,291</u>	<u>\$ 72,477</u>

BHJ's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2011, BHJ'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, 2011**

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2011, is as follows:

Government-wide Activities:

Equipment	
Balance of July 1, 2010	\$ 99,053
Additions	<u> -</u>
Balance June 30, 2011	99,053
Accumulated Depreciation	
Prior Years	(71,315)
Current Year	<u>(10,928)</u>
Balance June 30, 2011	<u>(82,243)</u>
Net Capital Assets June 30, 2011	<u>\$ 16,810</u>

Direct and In-direct depreciation expense for the period ending June 30, 2011, included in the Government-wide expenditures consists of the following:

Transportation planning	\$ 7,535
Transit studies and capital planning	365
Community development projects	866
Environmental protection projects	1,447
Economic development projects	<u>715</u>
Total	<u>\$ 10,928</u>

NOTE 4 - DUE TO GRANTORS

Due to grantors of \$15,621 is comprised of amounts due to the following governmental entities at June 30, 2011:

U. S. Department of Commerce – ARC 2005	\$ 1,754
U. S. Department of Commerce – EDA 2009	12,268
U. S. Department of Commerce – ARC 2010	<u>1,599</u>
Total due to grantor	<u>\$ 15,621</u>

NOTE 5 - DEFERRED REVENUE

Deferred Revenue represents monies advanced to BHJ from local governments:

WV EDA	\$ 30,986
Local Per-Capita Revenues	<u>4,121</u>
Total deferred revenue	<u>\$ 35,107</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 6 - GRANTS RECEIVABLE

Grants receivable of \$107,165 is comprised of amounts due from the following governmental entities at June 30, 2011:

WV Department of Transportation – FHWA (Federal)	\$ 20,718
WV Department of Transportation – FHWA (State)	2,590
WV Department of Transportation – FTA Section 8 (Federal)	1,911
WV Department of Transportation – FTA Section 8 (State)	239
Ohio Department of Transportation – FHWA (Federal)	32,859
Ohio Department of Transportation – FHWA (State)	4,107
Ohio Department of Transportation – FTA Section 8 (Federal)	1,587
Ohio Department of Transportation – FTA Section 8 (State)	198
Ohio Rideshare	13,378
Weirton Transit Administration	<u>3,718</u>
Total transportation	<u>81,305</u>
Wellsburg Sewer	1,860
WV Energy Grants	4,914
Wellsburg Water	2,118
EPA Brooke County – Mahan Lane	1,920
Beech Bottom Water Project	13,810
Oakland PSD	<u>1,238</u>
Total other	<u>25,860</u>
Total grants receivable	<u>\$ 107,165</u>

NOTE 7 - CAPITAL LEASE OBLIGATIONS

Capital lease obligations at June 30, 2011, of \$8,085 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 3 years:

2012	\$ 3,082
2013	3,280
2014	<u>1,722</u>
 Total	 <u>\$ 8,084</u>

BHJ paid interest expense of \$556 on the capital lease obligation for fiscal year-ending June 30, 2011.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 8 - LINE OF CREDIT

In 2006, BHJ entered into a \$10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2011. There were no draws or payments associated with this loan during the fiscal year, except for \$150 annual renewal fee. No balance was outstanding at fiscal year end.

NOTE 9 - DEFINED BENEFIT PENSION PLAN

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

- E. The Ohio Revised Code provides statutory authority for member and employer contributions. The 2010 member contribution rates were 10.00 percent for members and the employer contribution rate was 14.00 percent of covered payroll. Internal Revenue Service law makes it possible for an employer to pay (pick up) employee contributions for member of PERS, and BHJ has opted to contribute 15.85 percent with plan members contributing 8.15 percent of covered payroll. BHJ's required contribution for the periods ended June 30, 2011, 2010, and 2009, were \$53,665, \$50,609, and \$48,961, respectively.
- F. Total required employer contributions for all plans are equal to 100 percent of employer charges and should be extracted from the employer's records.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System (OPERS) – The following information was provided by the Ohio Public Employees Retirement System (OPERS) to assist BHJ in complying with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*.

OPERS provides post-retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit, and to primary survivor recipients of such retirees. Health care coverage for disability recipients is also available under OPERS. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

A. Plan Description

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

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 45.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.00 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.00 percent of covered payroll for state and local employer units and 18.10 percent of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 29, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Employer contributions to fund post-employment benefits for the period were \$29,018.

C. OPERS Retirement Board Implements its Health Care Preservation Plan

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

NOTE 11 - CONTINGENCIES

Federal and State Grants – Under the terms of BHJ's various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At June 30, 2011, there were no significant questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. Management of the BHJ believes there will be no material adjustments to the grants and, accordingly, has not recorded a provision for possible repayments under the above grants.

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

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

NOTE 12 - RISK MANAGEMENT

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

BHJ participates in the Ohio Bureau of Workers' Compensation for workers compensation coverage and with the Ohio Department of Job and Family Services for unemployment coverage. BHJ continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 years, and there has been no significant reduction in insurance coverage from coverage in prior years.

NOTE 13 – ECONOMIC DEPENDENCY

Approximately 55 percent of BHJ's revenue is from the Federal and State Departments of Transportation and Planning Grants.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<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 134477	\$ 145,693
Transit Technical Studies – FTA Section 8		DOTC 134477	13,192
Special Transportation Planning			3,867
Jefferson County Transit Study		DOT1 E070000085	4,017
Rideshare Green – CMAQ – 2011		516311	47,193
Rideshare Green – CMAQ – 2010		E070(661)	32,394
Freight Study		DOT 1 E1000000478	47,618
Pass-through from West Virginia Department of Transportation			
Highway Planning & Construction		OL 603	104,405
Transit Technical Studies – FTA Section 8		OL 603	12,784
Pass-through from City of Weirton Weirton Transit Administration		WV-90-X162-00	4,287
Pass-through from Steel Valley Regional Transit Authority			
Transit Service Option Plan		DOT 15404	<u>4,637</u>
Total CFDA #20.205			<u>420,087</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>420,087</u>
APPALACHIAN REGIONAL COMMISSION			
Appalachian Local Development District	23.009		
Pass-through from WV Region XI			
ARC Administrative – 2011		WV-2436-C39	18,611
ARC Administrative – 2010		WV-2436-C38	11,607
Total CFDA #23.009			<u>30,218</u>
TOTAL APPALACHIAN REGIONAL COMMISSION			<u>30,218</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<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	\$ 25,936
EPA Hazardous Materials – Administrative Contract		BF97384801	43,238
TS&T Focus Grant			64
Total CFDA #66.818			<u>69,238</u>
Pass-through from the WV DEP – Brooke County PSD	66.418		
Mahan/Eldersville Sewer I		XP-98355901-0	7,218
Total CFDA #66.418			<u>7,218</u>
Pass-through from the City of Wellsburg	66.610		
Wellsburg Sewer		XP-98399701-1	6,052
Total CFDA #86.606			<u>6,052</u>
TOTAL U. S. ENVIROMENTAL PROTECTIONS			<u>82,508</u>
U. S. Department of Energy			
Pass-through from WV Division of Energy	81.128		
WV Energy Grant-ARRA		10-183	73,723
Total CFDA #81.128			<u>73,723</u>
TOTAL U. S. DEPARTMENT OF ENERGY			<u>73,723</u>
U. S. DEPARTMENT OF COMMERCE			
Economic Development Partnership Planning Program	11.302		
Pass-through from the WV EDA Region XI			
West Virginia Economic Development		01-83-08921	29,801
Pass-through from the Business Development			
Corporation Economic Development Adjustment			1,916
Total CFDA #11.302			<u>31,717</u>
TOTAL U. S. DEPARTMENT OF COMMERCE			<u>31,717</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Expenditures</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grant			
Pass-through from WV Development Office/ Brooke County Commission Mahan/Eldersville Sewer II Total CFDA #14.219	14.219	B-07-DC-54-0001	<u>109</u> <u>109</u>
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>109</u>
TOTAL FEDERAL AWARDS			<u>\$ 638,362</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

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

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

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

We have audited the government-wide statement of net assets and statement of activities and the balance sheet – governmental fund, statement of revenues, expenditures, and changes in fund balance – governmental fund, reconciliation of the balance sheet of governmental fund to statement of net assets, and the reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental fund to the statement of activities of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the year ended June 30, 2011, and have issued our report thereon dated January 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

S. R. Snodgrass, A.C.

Wheeling, West Virginia
January 27, 2012

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

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

Compliance

We have audited the compliance of Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. 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, 2011.

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. Smodyross, A. C.

Wheeling, West Virginia
January 27, 2012

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

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, 2011, dated January 27, 2012.

Internal control over Financial Reporting

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X None reported

An unqualified opinion has been issued on the compliance for major programs of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2011, and dated January 27, 2012.

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:

CFDA Number

Name of Federal Program

20.205

U. S. Department of Transportation:
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, 2011.

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, 2011.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2011**

None

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
AUDITED RATES
AUDITED FRINGE, INDIRECT & COMBINED RATE 1998 TO 2011**

<u>Year</u>	<u>Fringe Rate</u>	<u>Indirect Rate</u>	<u>Combined Rate</u>	<u>Annual Change</u>
1998	0.5735	1.0312	1.6047	0 %
1999	0.5792	1.2882	1.8854	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	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	(11)%
2012 Project	0.6981	0.9662	1.6643	(11)%

Source: BHJ Annual Audit Reports. 1998 – 2011 and BHJ Budget and Overall Work Program 2012.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

**INDIRECT AND FRINGE COMPARISON 2010 TO 2011
INDIRECT COSTS**

	<u>2010</u>	<u>2011</u>	<u>Change</u>	<u>% Change</u>
TOTAL INDIRECT COSTS	\$ 262,834	\$ 230,403	\$ (32,431)	(12.34)
Personnel	107,992	96,268	(11,724)	(10.86)
Travel	250	297	47	18.80
Fringe Benefits	73,415	62,805	(10,610)	(14.45)
Advertising	404	557	153	37.87
Rent	32,761	33,898	1,137	3.47
Audit /Personal Service Contract	12,375	12,936	561	4.53
Insurance	2,468	3,126	658	26.66
Telephone	3,968	3,433	(535)	(13.48)
Equipment Cost	12,646	3,869	(8,777)	(69.41)
Supplies	3,219	7,105	3,886	120.72
Postage	3,183	3,253	70	2.20
Dues and Publications	787	1,371	584	74.21
Other	9,366	285	(9,081)	(96.96)
INDIRECT COST RATE	1.432	1.219	.213	(14.87)

	<u>2010</u>	<u>2011</u>	<u>Change</u>	<u>% Change</u>
TOTAL FRINGE BENEFITS	\$ 192,359	\$ 186,158	\$ (6,201)	(3.22)
Salary Benefits	48,128	48,617	489	1.02
Payroll Benefits	3,744	6,431	2,687	71.76
Health Insurance	89,309	77,445	(11,864)	(13.28)
Ohio PERS	51,178	53,665	2,487	4.80
FRINGE BENEFIT RATE	.679	.652	(.027)	(3.98)

Source: BHJ Annual Audits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 96,268	\$ (6,841)	\$ 89,427
Fringe benefits	62,805	(4,567)	58,238
Travel	297	-	297
Advertising	557	-	557
Rent	33,898	-	33,898
Audit and personal service contracts	14,136	-	14,136
Insurance	3,126	-	3,126
Telephone	3,433	-	3,433
Equipment costs	3,869	3,770	7,639
Supplies	7,105	-	7,105
Postage	3,253	-	3,253
Dues and publications	1,371	-	1,371
Other	<u>285</u>	<u>4,495</u>	<u>4,780</u>
 Total, Government-Wide Level	 <u>\$ 230,403</u>	 <u>\$ (3,143)</u>	 227,260
 Depreciation			(10,927)
Lease principal payments			2,893
Indirect capital asset additions			<u>-</u>
 Total, Fund Level			 <u>\$ 219,226</u>

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	\$	230,403	=	121.87%
Direct Personnel Costs	\$	189,060		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2011**

Salary benefits		\$ 48,617
Payroll benefits:		
Medicare	\$ 4,670	
Unemployment insurance	520	
Worker's Compensation	1,241	6,431
Other benefits:		
Health insurance	77,445	
Ohio PERS	53,665	<u>131,110</u>
Total fringe benefits		<u>\$ 186,158</u>

FRINGE BENEFIT RATE COMPUTATION

<u>TOTAL FRINGE BENEFITS</u>	\$ 186,158	=	65.24%
TOTAL PERSONNEL COSTS	\$ 285,328		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

	Revenue Recorded				Expenditures				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	\$ 54,822	\$ 5,428	\$ 5,428	\$ 65,678	\$ 32,835	\$ 21,421	\$ 5,972	\$ 40,019	\$ 100,247
WV Department of Transportation	38,601	4,440	4,440	47,481	18,056	11,780	4,159	22,006	56,001
Short Range	38,642	4,830	4,830	48,302	13,766	8,981	1,238	16,778	40,763
TIP	36,533	4,567	4,567	45,667	13,232	8,632	3,007	16,127	40,998
Surveillance	40,750	5,094	5,094	50,938	18,758	12,238	1,007	22,862	54,865
BHJ Freight Study	47,618	11,905	-	59,523	-	-	74,404	-	74,404
Weirton Transit Administration	4,370	-	-	4,370	1,373	896	344	1,674	4,287
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	13,192	1,649	1,649	16,490	5,954	3,884	479	7,257	17,574
WV Department of Transportation	12,784	1,598	1,649	16,031	5,424	3,539	406	6,611	15,980
Ohio Special Transportation Planning									
Ohio Department of Transportation	3,942	-	-	3,942	-	-	3,867	-	3,867
Ohio Long Range Finance Element									
Ohio Department of Transportation	40,750	5,094	5,094	50,938	11,037	7,201	1,022	13,452	32,712
Ohio Rideshare									
Ohio Department of Transportation	79,587	-	-	79,587	1,392	908	97,824	1,696	101,820
Ohio Services Option									
Ohio Department of Transportation	5,353	-	-	5,353	-	-	4,637	-	4,637
Jefferson County Transit Study	4,570	-	-	4,570	-	-	4,017	-	4,017

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	Revenue Recorded				Expenditures				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Other	Indirect	Total
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 0701/10 – 12/31/10	11,607	11,607	-	23,214	2,145	1,400	23	2,615	6,183
302(a)(1) 01/01/11 – 06/30/11	18,611	18,611	-	37,222	27,901	18,203	8,181	34,006	88,291
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	31,717	31,716	-	63,433	16,321	10,648	44,174	19,891	91,034
U. S. Environmental Protection									
EPA Petroleum	25,936	-	-	25,936	4,367	2,848	18,815	5,322	31,352
EPA Hazardous	43,238	-	-	43,238	3,575	2,333	40,369	4,358	50,635
TS&T Focus	5,000	-	-	5,000	-	-	64	-	64
WV Division of Environmental Protection									
Rt. 8 Sewer	-	6,911	-	6,911	-	-	-	-	-
Beech Bottom	-	5,598	-	5,598	-	-	-	-	-
Oakland PSD	-	5,327	-	5,327	2,450	1,599	16	2,987	7,052
Mahan Lane	7,327	-	-	7,327	2,555	1,667	-	3,115	7,337
Wellsburg Sewer	6,052	-	-	6,052	2,565	1,673	147	3,126	7,511
Wellsburg Water	-	4,255	-	4,255	1,335	871	227	1,627	4,060
Weirton Rail Yard	-	-	-	-	300	196	-	366	862
U. S. Department of Energy									
Energy Efficiency and Conservation									
Block Grant Program-ARRA									
WV Energy Grant	73,723	-	-	73,723	3,719	2,426	64,855	4,532	75,532
TOTALS	\$ 644,725	\$ 128,630	\$ 32,751	\$ 806,106	\$ 189,060	\$ 123,344	\$ 379,254	\$ 230,427	\$ 922,085

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011. 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.

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Dave Yost • Auditor of State

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 17, 2012**