



Dave Yost • Auditor of State

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITORS' REPORT

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North Fourth Street
Steubenville, Ohio 43952

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, Ohio (the Commission), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County as of June 30, 2014, and the respective changes in its financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The following Schedule of Audited Rates, Schedule of Indirect and Fringe Comparison, Schedule of Agency Management Expenditures-Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures and Note to the Schedule of Contract Revenues and Expenditures present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The Statements and Schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2014

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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2014
Unaudited**

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

Anyone who has ever looked at an annual report, a 10-K, or a 10-Q has undoubtedly noticed that there are pages and pages of text -- the filings aren't just financial statements. Part of this text is the Management Discussion and Analysis (MD&A), and its intent is to explain portions of what you're seeing in the financial statements. That is, the MD&A is Brooke Hancock Jefferson Metropolitan Planning Commission's (the "Commission") attempt to explain why things are the way they are for the year ended June 30, 2014. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

This audit is a one-year snap shot of BHJ's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture. According to the US Federal Accounting Standards Board (*Statement of Recommendations: Accounting Standard #15. April 1999*, the federal mandate for a MD&A is:

"Each general purpose federal financial report (GPFRR) 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 GPFRR. MD&A also should address significant events, conditions, trends and contingencies that may affect future operations."

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

Performance

The Commission continues to sustain a strong and fiscally accountable agency. We have been fortunate to maintain and target our programs while sustaining a healthy revenue stream. In addition, our fringe/indirect rate structure has remained steady.

The Commission was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. In 2014, 84% of the Commission's revenues were generated through federal and state grants. In 2014, 58% of funds were allocated to transportation; 20% allocated to economic development, 11% to community development and 11% to environmental protection.

Fundamental Principles of the Financial Statement

- The Commission's financial statement is prepared in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). Revenues are recognized when earned and expenses when incurred. Capital assets are capitalized and are depreciated over their useful lives.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2014
Unaudited**

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

Fundamental Principles of the Financial Statement (Continued)

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

Financial Highlights FY 13 to FY 14 Comparisons

- Total 2014 net position (i.e., total assets minus total liabilities) increased 5% from 2013.
- Over the last eight years, the audit year 2014 ranked as the second largest accumulated Net Position year. The low Net Position year was 2011.
- Revenue in 2014 decreased \$225,601 over the previous year. The change was largely due to phasing out of a US EPA assessment grant and a vacancy/ search for a transportation planner. The US EPA assessment grant is highly competitive with a national 20% success rate. In 2015, the Commission staff will submit a diligent and well-constructed grant to recapture these competitive assessment dollars. For 2015, the vacant transportation planner position has been filled.
- Expenses in 2014, driven by the above revenue generation, decreased 23%.
- When compared to 2013, Indirect Cost in 2014 remained equivalent to the 2013 level while fringe costs decreased 12%. The largest indirect category, that is "personnel cost", increased 5%.

Long Term Debt

There was no long-term debt at the end of the fiscal year, June 30, 2014. Under Ohio Revised Code, The Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

Contacting the Commission

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 the Commission's finances and to show accountability for monies received. Additional financial information may be obtained by contacting the Commission's Finance Manager (124 North 4th Street, Steubenville, Ohio 43952).

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2014
Unaudited**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Net Position	\$107,798	\$105,392	\$ 170,589	\$148,736	\$ 156,016
Assets					
Cash and cash equivalents	\$ 84,037	\$72,477	\$ 29,912	\$ 47,824	\$ 69,375
Accounts receivable	19,312	19,312	21,351	18,895	18,282
Grants receivable	139,715	107,165	161,209	110,755	77,182
Property/equipment	27,738	16,810	15,005	21,573	19,597
Prepaid	<u> -</u>	<u> 8,391</u>	<u> 9,806</u>	<u>14,645</u>	<u>16,619</u>
Total Assets	<u>\$270,802</u>	<u>\$224,155</u>	<u>\$237,283</u>	<u>\$213,692</u>	<u>\$ 201,055</u>
Liabilities					
Accounts payable	\$ 50,439	\$ 45,514	\$ 32,665	\$ 37,990	\$ 28,878
Lease payable	10,978	8,084	5,003	1,719	0
Accrued/withheld benefits	26,554	8,239	2,444	10,410	1,394
Accrued payroll	17,996	5,285	6,215	4,309	8,647
Accrued/withheld taxes	8,670	913	3,083	4,728	125
Due to grantors	14,022	15,621	1,754	0	0
Deferred in-flows	<u>34,345</u>	<u>35,107</u>	<u>15,530</u>	<u> 5,800</u>	<u> 5,995</u>
Total Liabilities	<u>\$163,004</u>	<u>\$ 118,763</u>	<u>\$ 66,694</u>	<u>\$64,956</u>	<u>\$ 45,039</u>
Revenue					
Federal grants/projects	\$485,093	\$644,725	\$742,162	\$840,046	\$ 560,310
State/ local assistance	176,063	165,110	51,830	99,012	148,011
Per capita dues	105,847	106,612	104,734	103,975	104,877
Other	<u> 3,320</u>	<u> 88</u>	<u>166,356</u>	<u> 30,471</u>	<u> 34,705</u>
Total Revenues	<u>\$770,323</u>	<u>\$916,535</u>	<u>\$1,065,082</u>	<u>\$1,073,504</u>	<u>\$ 847,903</u>
Expenditures					
Transportation planning	\$450,707	\$503,951	\$440,445	\$444,110	\$ 478,432
Economic development	107,498	90,724	197,009	133,523	168,823
Transit studies and capital planning	53,388	46,335	54,774	35,412	4,708
Community Development	98,694	94,215	130,798	315,772	93,836
Environmental Protection	<u>46,548</u>	<u>183,716</u>	<u>176,858</u>	<u>166,540</u>	<u>94,824</u>
Total Expenditures	<u>\$756,835</u>	<u>\$918,941</u>	<u>\$999,884</u>	<u>\$1,095,357</u>	<u>\$ 840,623</u>

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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2014**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	69,375
Accounts receivable		18,282
Grants receivable		77,182
Prepaid		<u>16,619</u>
Total current assets		<u>181,458</u>

CAPITAL ASSETS

Property, plant, and equipment, net of accumulated depreciation		<u>19,597</u>
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TOTAL ASSETS

\$ 201,055

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	28,878
Accrued payroll		8,647
Accrued and withheld payroll taxes		125
Accrued and withheld employee benefits		1,394
Deferred inflow of resources		<u>5,995</u>

TOTAL LIABILITIES

45,039

NET POSITION

NET POSITION

Investments in capital assets, net of related debt		19,597
Unrestricted		<u>136,419</u>

TOTAL NET POSITION

\$ 156,016

The accompanying notes are an integral part of the basic financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

<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	\$ 313,596	\$ 164,836	\$ 434,696	\$ (43,736)
Transit studies and capital planning	2,682	2,026	4,195	(513)
Community development projects	57,363	36,473	46,443	(47,393)
Environmental protection projects	77,121	17,703	84,508	(10,316)
Economic development projects	<u>143,815</u>	<u>25,008</u>	<u>136,674</u>	<u>(32,149)</u>
Total Primary Government-Wide	<u>\$ 594,577</u>	<u>\$ 246,046</u>	<u>\$ 706,516</u>	<u>(134,107)</u>
 GENERAL GOVERNMENT-WIDE REVENUES:				
Per Capita revenues				104,877
West Virginia Development Office				36,480
Other revenues				<u>30</u>
Total General Government-Wide Revenues				<u>141,387</u>
 CHANGES IN NET POSITION				 7,280
NET POSITION, BEGINNING				<u>148,736</u>
NET POSITION, ENDING				<u>\$ 156,016</u>

The accompanying notes are an integral part of the basic financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2014**

	<u>General Fund</u>
CURRENT ASSETS	
ASSETS	
Cash and cash equivalents	\$ 69,375
Accounts receivable	18,282
Grants receivable	77,182
Prepaid	<u>16,619</u>
TOTAL CURRENT ASSETS	<u>\$ 181,458</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	28,878
Accrued and withheld employee benefits	1,394
Accrued payroll	8,647
Accrued and withheld payroll taxes	125
Deferred inflow of resources	<u>5,995</u>
Total liabilities	<u>45,039</u>
FUND BALANCE	
Fund balance – unrestricted	<u>136,419</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 181,458</u>

The accompanying notes are an integral part of the basic financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
JUNE 30, 2014**

General Fund Balance	\$ 136,419
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Amounts reported for government-wide activities in the statement of net position are different because:

Capital assets of \$125,677 net of accumulated depreciation of \$106,080 are not financial resources and, therefore, are not reported in the fund.	<u>19,597</u>
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Net Position of Government-wide Agency	<u>\$ 156,016</u>
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The accompanying notes are an integral part of the basic financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>General Fund</u>
REVENUES	
Federal grants and projects	\$ 560,310
State financial assistance	148,011
Per capita dues	104,878
Local assistance	<u>34,704</u>
Total revenues	<u>847,903</u>
EXPENDITURES	
Transportation planning	477,920
Transit studies and capital planning	4,714
Community development projects	93,765
Environmental protection projects	94,940
Economic development projects	<u>169,028</u>
Total expenditures	<u>840,367</u>
NET CHANGES IN FUND BALANCE	7,536
GENERAL FUND BALANCE, BEGINNING	<u>128,882</u>
GENERAL FUND BALANCE, ENDING	<u>\$ 136,418</u>

The accompanying notes are an integral part of the basic 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, 2014**

Net Change in Fund Balance - General Fund	\$ 7,536
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Amounts reported for government-wide activities 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 activities

This is the amount by which depreciation of \$6,671 exceeded capital outlays of \$4,695 in the current period.	(1,976)
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General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.	<u>1,720</u>
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Change in Net Position of Government-wide Activities	<u>\$ 7,280</u>
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The accompanying notes are an integral part of the basic financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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, the Commission considers revenues to be available, if they are collected within 90 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

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

- 1) General Fund

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

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 – The Commission capitalizes at cost purchased property and equipment (See Note 3) costing \$500 and greater and with a useful life greater than one year. Capital assets are depreciated using the straight-line method over the following estimated useful lives less any salvage value:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and Equipment	5 to 15 years

Restricted Fund Balance – In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are legally restricted by outside parties for use for a specific purpose or are not available for expenditure in the government fund balance sheet. 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 Position – Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Investments in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position would consist of monies and other resources, which are restricted to satisfy debt service requirements as specified in debt agreements.

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

Cash and Cash Equivalents – The investment and deposit of the Commission’s monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Commission to invest its monies in certificates of deposits, savings accounts, money market accounts, the State Treasurer’s investment pool (Star Ohio) and obligations of the United States government and certain agencies thereof. The Commission may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding 30 days.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Budgets - Budgets for the general and special revenue fund are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2014:

	Bank <u>Balance</u>	Carrying <u>Balance</u>
PNC Bank	\$ 81,686	\$ 69,275
Petty cash	<u>-</u>	<u>100</u>
Total cash deposits and cash on hand	<u>\$ 81,686</u>	<u>\$ 69,375</u>

The Commission’s funds at PNC Bank are insured up to the FDIC limit. At June 30, 2014, the Commission’s balances were not in excess of the FDIC prescribed insured limits.

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2014, is as follows:

Government-wide Activities:

Equipment	
Balance of July 1, 2013	\$ 120,983
Additions	<u>4,695</u>
Balance June 30, 2014	125,678
Accumulated Depreciation	
Prior Years	(99,410)
Current Year	<u>(6,671)</u>
Balance June 30, 2014	<u>(106,081)</u>
Net Capital Assets June 30, 2014	<u>\$ 19,597</u>

Direct and Indirect depreciation expense for the period ending June 30, 2014, included in the Government-wide expenditures consists of the following:

Transportation planning	\$ 5,410
Transit studies and capital planning	14
Community development projects	463
Environmental protection projects	282
Economic development projects	<u>502</u>
Total	<u>\$ 6,671</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 4 - DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources represents monies advanced to the Commission from local governments:

ARC FY14 CY14	\$ 195
Local Per-Capita Revenues	<u>5,800</u>
Total deferred inflows	<u>\$ 5,995</u>

NOTE 5 - GRANTS RECEIVABLE

Grants receivable of \$77,181 is comprised of amounts due from the following governmental entities at June 30, 2014:

WV Department of Transportation – FHWA (Federal)	\$ 5,674
WV Department of Transportation – FHWA (State)	709
WV Department of Transportation – FTA Section 8 (Federal)	139
WV Department of Transportation – FTA Section 8 (State)	17
Ohio Department of Transportation – FHWA (Federal)	40,169
Ohio Department of Transportation – FHWA (State)	5,021
Ohio Department of Transportation – FTA Section 8 (Federal)	531
Ohio Department of Transportation – FTA Section 8 (State)	66
Ohio Rideshare	15,031
Weirton Transit Administration	<u>1,721</u>
Total transportation	<u>69,078</u>
Wellsburg Water	2,325
EPA Brooke County – Mahan Lane	4,428
Weirton Sewer	<u>1,351</u>
Total other	<u>8,104</u>
Total grants receivable	<u>\$ 77,182</u>

NOTE 6 - LINE OF CREDIT

The Commission entered into a \$10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2014. 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.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System (OPERS) – The following information was provided by the Ohio Public Employees Retirement System (OPERS) to assist the Commission in complying with GASB Statement No. 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 investment earnings.
 3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, 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. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.
- C. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, or by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.
- D. The Ohio Revised Code provides statutory authority for members and employer contributions. For 2013, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan.
- E. Funding Policy - The Commission and covered employees contribute at actuarially determined rates for 2014, 14 percent and 10 percent, respectively, of covered employee payroll to OPERS. Internal Revenue Service law makes it possible for an employer to pay “pickup” employee contributions for members of PERS. In January 2005, the Commission opted to contribute 15.85 percent with Plan members contributing 8.15 percent of covered payroll for employees hired prior to December 31, 2005. Beginning January 1, 2006, the policy states that the Commission and any new hires will contribute based on percentages determined by OPERS.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Commission's contributions to OPERS for the years ended June 30, 2014, 2013, and 2012 were \$48,009, \$41,427 and \$34,199, respectively. Required contributions are equal to 100 percent of the dollar amount billed for 2014, 2013, and 2012.

- 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.
- G. In June 2012, the Governmental Accounting Standards Boards (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This accounting standard replaces GASB Statement 27, and it is effective for employer fiscal years beginning after June 15, 2014. OPERS recommends employers begin a dialog with their external auditors to determine the impact this standard will have on employer financial statements.

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

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

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.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 Post-employment Benefit (OPEB) as described in GASB Statement 45.

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 visiting <https://www.opers.org/investments/cafr.shtml>, by or 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 2013, state and local employers contributed at a rate of 14.00 percent of covered payroll. These are maximum employer contribution rates permitted by the Ohio Revised Code. 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 1.0 percent during the calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0 percent, during calendar year 2013. Effective January 1, 2014, the portion of the employer contributions allocated to healthcare was raised 2.0 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefit provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Commission's contributions allocated to fund post-retirement health care benefits for the years ended June 30, 2014, 2013 and 2012 were \$3,691, \$13,437 and \$11,817, respectively. One hundred percent was contributed for 2014, 2013, and 2012.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

- C. OPERS Board of Trustees Adopt Changes to the Health Care Plan - Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the health care fund after the end of the transition period.

NOTE 9 - RISK MANAGEMENT

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

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

NOTE 10 - ECONOMIC DEPENDENCY

Approximately 84 percent of the Commission's revenue is from the Federal and State Grant revenue as compared to the total agency revenue.

NOTE 11 - CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 12 - COST ALLOCATION PLAN

A cost allocation plan is prepared annually by BHJMPC. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the provisions of Office of Management and Budget (OMB) Circular A-87. The plan is submitted to the oversight grantor agency, the Federal Highway Administration through the Ohio Department of Transportation, for approval and authorization of negotiated allocation rates, which are used for billing purposes during the fiscal year. The Ohio Department of Transportation has agreed to let BHJMPC adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014**

NOTE 12 -COST ALLOCATION PLAN (Continued)

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

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2014.

1. Fringe Benefits

Fringe benefit costs are recorded in the general fund as fringe costs and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2014 fringe benefit costs were allocated at a provisional rate of 74.64% of direct and indirect labor costs. The actual fringe benefit cost rate was 63.04%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

2. Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the special revenue funds in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2014 indirect costs were allocated at a provisional rate of 124.66% of direct labor costs. The actual indirect cost rate was 129.32%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
FOR THE YEAR-ENDING JUNE 30, 2014**

	Budget FY 2014	Actual FY 2014	Difference (Over) Under Budget
WAGES PAID FOR TIME WORKED:			
Direct labor	\$ 211,440	\$ 190,769	\$ 20,671
Indirect labor	<u>105,000</u>	<u>105,215</u>	<u>(215)</u>
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	<u>\$ 316,440</u>	<u>\$ 295,984</u>	<u>\$ 20,456</u>
FRINGE BENEFITS			
Wages:			
Holiday	\$ 17,064	\$ 16,568	\$ 496
Sick leave	7,380	4,876	2,504
Vacation	22,655	20,595	2,060
Other leave	<u>-</u>	<u>802</u>	<u>(802)</u>
Total Fringe Benefit - Wages	<u>47,099</u>	<u>42,841</u>	<u>4,258</u>
Other fringe benefits:			
PERS	55,823	51,700	4,123
Hospitalization	119,983	80,380	39,603
Medicare	5,271	4,912	359
Workers' Compensation	1,214	822	392
Employment services	243	269	(26)
Vision / Dental / Wellness	5,000	4,092	908
Life	<u>1,553</u>	<u>1,563</u>	<u>(10)</u>
Total Other Fringe Benefits	<u>189,087</u>	<u>143,738</u>	<u>45,349</u>
TOTAL FRINGE BENEFITS	<u>\$ 236,186</u>	<u>\$ 186,579</u>	<u>\$ 49,607</u>
INDIRECT COSTS			
Salaries - indirect only	\$ 105,000	\$ 105,215	\$ (215)
Fringe benefits for indirect salaries	78,371	66,324	12,047
Advertising	600	884	(284)
Audit	14,000	14,905	(905)
Depreciation	6,000	2,498	3,502
Equipment expense	1,000	2,165	(1,165)
Finance consulting and publications	800	439	361
Insurance/bonds	2,500	2,848	(348)
Legal service	200	420	(220)
Memberships and subscriptions	1,400	992	408
Miscellaneous	2,000	2,403	(403)
Photocopy and printing	500	0	500
Postage	4,400	3,663	737
Publications and printing	500	309	191
Rent	33,000	33,000	0
Software/technical support	1,000	1,157	(157)
Supplies	6,000	3,669	2,331
Telephone	4,800	4,420	380
Travel	<u>800</u>	<u>1,397</u>	<u>(597)</u>
TOTAL INDIRECT COSTS	<u>\$ 262,871</u>	<u>\$ 246,708</u>	<u>\$ 16,163</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AUDITED RATES
AUDITED FRINGE, INDIRECT & COMBINED RATE 1998 TO 2014**

<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	1.8764	16%
2000	0.5655	1.0942	1.6597	(11)%
2001	0.5651	1.3223	1.8874	14 %
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	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	1.8574	(13)%
2008	0.6314	1.2770	1.9084	3 %
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	(11)%
2012	0.7033	1.1899	1.8932	1%
2013	0.7430	1.3117	2.0547	9%
2014	0.6304	1.2932	1.9236	(6)%
2015 projected	0.6641	1.2249	1.8890	(2)%

Source: BHJ Annual Audit Reports, 1998-2013 and BHJ Budget and Overall Work Program 2014

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2013 TO 2014
INDIRECT COSTS**

	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
TOTAL INDIRECT COSTS	\$ 247,683	\$ 246,709	\$ (974)	(.39)
Personnel	98,699	105,215	6,516	6.60
Fringe Benefits	73,334	66,324	(7,010)	(9.56)
Advertising	1,178	884	(294)	(24.96)
Audit Services	13,906	14,905	999	7.18
Equipment Cost	5,500	4,663	(837)	(15.22)
Insurance	2,165	2,848	683	31.55
Miscellaneous	2,593	5,411	2,818	108.68
Postage	4,286	3,663	(623)	(14.54)
Publications and printing	2,301	309	(1,992)	(86.57)
Rent	33,000	33,000	0	0.00
Supplies	6,076	3,669	(2,407)	(39.61)
Telephone	4,260	4,420	160	3.76
Travel	385	1,398	1,013	263.12
INDIRECT COST RATE	131.17%	129.32%	(1.85) %	(1.41) %

	<u>2013</u>	<u>2014</u>	<u>Change</u>	<u>% Change</u>
TOTAL FRINGE BENEFITS	\$ 213,635	\$ 186,578	\$(27,057)	(12.67)
Salary Benefits	51,952	42,841	(9,111)	(17.54)
Payroll Benefits	5,507	6,003	496	9.01
Health Insurance	101,312	86,034	(15,278)	(15.08)
Ohio PERS	54,864	51,700	(3,164)	(5.77)
FRINGE BENEFIT RATE	74.30%	63.04%	(11.26) %	(15.15) %

Source: BJJ Annual Audits and Profit and Loss by Class Reports

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 105,215	\$ 1,960	\$ 107,175
Fringe benefits	66,327	924	67,251
Travel	1,398	37	1,435
Advertising	884	-	884
Rent	33,000	-	33,000
Audit services	14,905	-	14,905
Insurance	2,848	-	2,848
Telephone	4,420	5	4,425
Equipment costs	5,820	-	5,820
Supplies	3,669	194	3,863
Postage	3,663	-	3,663
Publications and printing	1,301	900	2,201
Other	<u>3,259</u>	<u>4,450</u>	<u>7,709</u>
 Total, Government-Wide Level	 <u>\$ 246,709</u>	 <u>\$ 8,470</u>	 255,179
 Depreciation			(6,671)
Lease principal payments			1,719
Indirect capital asset additions			<u>(4,695)</u>
 Total, Fund Level			 <u>\$ 245,532</u>

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	\$ 246,709	=	129.32%
Direct Personnel Costs	\$ 190,769		

Source: BHJ Profit and Loss by Class

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2014**

FRINGE BENEFITS

Salary benefits:		\$ 42,841
Payroll benefits:		
Medicare	\$ 4,912	
Unemployment insurance	269	
Worker's Compensation	<u>822</u>	
Total payroll benefits		6,003
Other benefits:		
Health insurance	80,380	
Life insurance	1,562	
Dental/Vision/Wellness	4,092	
Ohio PERS	<u>51,700</u>	
Total other benefits		<u>137,734</u>
Total fringe benefits		<u>\$ 186,578</u>

FRINGE BENEFIT RATE COMPUTATION

<u>Total Fringe Benefits</u>	\$ 186,578	=	63.04%
Total Personnel Costs	\$ 295,984		

Source: BHJ Profit and Loss by Class Report

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Revenue Recorded</u>				<u>Expenditures</u>				
	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>	<u>Personnel</u>	<u>Fringe Benefits</u>	<u>Indirect</u>	<u>Other</u>	<u>Total</u>
Federal Highway Administration									
Highway Planning and Construction									
OH Department of Transportation	\$ 74,014	\$ 9,252	\$ 9,251	\$ 92,517	\$ 30,374	\$ 19,148	\$ 39,280	\$ 3,712	\$ 92,514
OH Short Range	20,208	2,525	2,530	25,263	8,170	5,150	10,565	1,379	25,264
OH TIP	11,099	1,387	1,390	13,876	4,354	2,745	5,631	1,144	13,874
OH Surveillance	38,776	4,846	4,855	48,477	15,159	9,556	19,604	4,158	48,477
WV Department of Transportation	44,150	5,521	5,520	55,191	18,033	11,368	23,321	2,475	55,197
WV Short Range	15,866	1,984	1,984	19,834	6,415	4,044	8,296	1,079	19,834
WV TIP	8,714	1,090	1,090	10,894	3,417	2,154	4,419	904	10,894
WV Surveillance	30,443	3,807	3,807	38,057	11,900	7,502	15,389	3,266	38,057
Weirton Transit Administration	7,142	-	-	7,142	2,355	1,485	3,046	274	7,160
Long Range Finance Element									
OH Department of Transportation	37,904	4,737	4,745	47,386	15,244	9,609	19,713	2,819	47,385
WV Department of Transportation	29,758	3,722	3,722	37,202	11,264	7,101	14,567	4,270	37,202
Ohio Rideshare									
Ohio Department of Transportation	77,752	-	-	77,752	777	490	1,005	75,480	77,752
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	2,051	256	256	2,563	850	536	1,100	77	2,563
WV Department of Transportation	1,678	209	209	2,096	716	451	926	3	2,096
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/13 - 12/31/13	22,626	18,189	4,347	45,162	13,134	8,280	16,985	6,763	45,162
302(a)(1) 01/01/14 - 06/30/14	23,817	18,290	5,621	47,728	15,069	9,500	19,488	3,671	47,728

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Revenue Recorded</u>				<u>Expenditures</u>				
	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>	<u>Personnel</u>	<u>Fringe Benefits</u>	<u>Indirect</u>	<u>Other</u>	<u>Total</u>
Local Projects and Programs									
Broadband	-	50,000	32	50,032	-	-	-	50,032	50,032
Brooke Glass Buzz	-	-	-	-	329	245	408	6,261	7,243
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	52,000	-	65,091	117,091	19,338	12,191	25,008	60,554	117,091
U. S. Environmental Protection									
EPA Petroleum	32,293	-	96	32,389	(1,008)	(752)	-	34,149	32,389
EPA Hazardous	18,972	-	3,413	22,385	2,054	1,533	3,306	15,492	22,385
WV Division of Environmental Protection									
Oakland PSD	-	3,892	-	3,892	1,301	971	1,620	-	3,892
Mahan Lane phase II	11,047	-	-	11,047	3,779	2,382	4,886	-	11,047
Wellsburg Water	-	5,543	-	5,543	2,284	1,440	2,953	-	6,677
Weirton Sewer	-	10,239	-	10,239	3,502	2,208	4,529	-	10,239
Beech Bottom Water	-	2,522	-	2,522	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
TOTALS	<u>\$ 560,310</u>	<u>\$ 148,011</u>	<u>\$117,959</u>	<u>\$ 826,280</u>	<u>\$ 188,810</u>	<u>\$ 119,337</u>	<u>\$ 246,045</u>	<u>\$ 277,962</u>	<u>\$ 832,154</u>

Source: BHJ Profit and Loss by Class Report

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014. 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.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>CFDA Number</u>	<u>Direct or Pass-through Number</u>	<u>Expenditures</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration	20.205		
Pass-through from Ohio Department of Transportation			
Highway Planning & Construction		DOTC 134572	\$ 181,998
Transit Technical Studies – FTA Section 8		DOTC 134572	2,051
Rideshare Green – CMAQ – 2014		DOTC 519774	77,752
Pass-through from West Virginia Department of Transportation			
Highway Planning & Construction		OL 603	128,939
Transit Technical Studies – FTA Section 8		OL 603	<u>1,678</u>
Total CFDA #20.205			<u>392,418</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>392,418</u>
APPALACHIAN REGIONAL COMMISSION			
Appalachian Local Development District	23.009		
Pass-through from WV Development Office Region XI			
ARC Administrative – 2013		WV-2436-C38	22,626
ARC Administrative – 2014		WV-2436-C38	<u>23,817</u>
Total CFDA #23.009			<u>46,443</u>
TOTAL APPALACHIAN REGIONAL COMMISSION			<u>46,443</u>
U. S. ENVIRONMENTAL PROTECTIONS			
Brownsfield Assessment and Clean-up	66.818		
EPA Petroleum – Administration Contract		BF97384901	32,293
EPA Hazardous Materials – Administrative Contract		BF97384801	<u>18,972</u>
Total CFDA #66.818			<u>51,265</u>
TOTAL U. S. ENVIROMENTAL PROTECTIONS			<u>51,265</u>
U. S. DEPARTMENT OF COMMERCE			
Economic Development Partnership Planning Program	11.303		
Pass-through from the WV EDA Region XI			
West Virginia Economic Development		01-83-08921	<u>52,000</u>
Total CFDA #11.303			<u>52,000</u>
TOTAL U. S. DEPARTMENT OF COMMERCE			<u>52,000</u>
TOTAL FEDERAL AWARDS			<u>\$542,126</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE A 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, 2014. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require the Commission to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Commission has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



Dave Yost • Auditor of State

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

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North Fourth Street
Steubenville, Ohio 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, (the Commission) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2014



Dave Yost • Auditor of State

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North Fourth Street
Steubenville, Ohio 43952

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (the Commission) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Brooke-Hancock-Jefferson Metropolitan Planning Commission's major federal program for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Commission's major federal program.

Management's Responsibility

The Commission's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Commission's compliance for the Commission's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Commission's major program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on the Major Federal Program

In our opinion, the Brooke-Hancock-Jefferson Metropolitan Planning Commission complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

Report on Internal Control Over Compliance

The Commission's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Commission's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

December 19, 2014

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster CFDA # 20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3.FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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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
JANUARY 22, 2015**