BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2015

Dave Yost • Auditor of State

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY

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INDEPENDENT AUDITOR'S 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 the governmental activities and the major fund of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, Ohio (the Commission), as of and for the year ended June 30, 2015, 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, during the year ended June 30, 2015, the Government adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No, 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The following supplemental information: Budget Comparison, Schedule of Rates, 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 Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule is management's responsibility and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule 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, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the Budget Comparison, Schedule of 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 Schedule of Contract Revenues and Expenditures, to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, 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.

Dave Yost
Auditor of State
Columbus, Ohio

December 10, 2015

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BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015
Unaudited

Performance

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

The Commission was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. In 2015, 76.41% of the Commission's revenues were generated through federal and state grants. In 2015, 73.45% of those funds were allocated to transportation; 11.92% allocated to economic development and 14.64% to community development.

Fundamental Principles of the Financial Audit Statement

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

Financial Highlights FY 14 to FY 15 Comparisons

- Total net 2015 position (i.e., total assets minus total liabilities) decreased 181.41% from 2014. This is mainly due to the recording of GASB68.
- Over the last five years, the audit year 2015 ranked as the lowest accumulated Net Position year. The highest Net Position year was 2012. If not for the recording of GASB68 and the restatement of Net Position for Fiscal Year 2014, Fiscal Year 2015 would have had the highest net position in the amount of $185,374.
- Revenue in 2015 decreased $78,815 over the previous year. The change was largely due to retirement of the Executive Director, a vacancy in the Transportation Study Director position, and phasing out of a US EPA assessment grant. The Executive Director was replaced in 2015 at a lower wage rate and the Transportation Study Director will remain vacant for the foreseeable future. The US EPA assessment grant is highly competitive with a national 20% success rate. In 2016, the Commission staff will submit a grant to recapture these competitive assessment dollars in 2017.
- Expenses in 2015, driven by the above revenue generation, decreased 12%.
- Actual Indirect Costs in 2015 were 5.44% lower when compared to 2014 ($246,709 in 2014 - $233,283 in 2015) thereby reducing the indirect cost rate by 5.73%. Total Fringe Benefits were $807 lower in 2015 amounting to a .43% reduction in expense from the previous year.

Long Term Debt

There was no long-term debt at the end of the fiscal year, June 30, 2015. Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

Net Pension Liability

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

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

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

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

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

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

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

As a result of implementing GASB 68, the Commission is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from $156,016 to ($156,373).

Capital Assets

Computers, Office Furniture, Copiers and Traffic Count Equipment	
Balance of July 1, 2014	$ 125,921
Additions - purchase of new computer	1,111
Deletions - updated inventory list showing disposals of outdated, broken and replaced equipment	(43,994)
Balance June 30, 2015	83,038
Accumulated Depreciation	
Balance of July 1, 2014	(62,330)
Current Year - depreciation expense	(5,813)
Balance June 30, 2015	(68,143)
Net Capital Assets June 30, 2015	$ 14,895

Budgets

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

General Fund

The Commission has only one major fund – the General Fund. Information on the General Fund begins on page 14. The General Fund had total revenues of $754,203 and total expenditures of $735,028. The fund balance increased by $19,175.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015
Unaudited

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

Anyone who has ever looked at an annual report, a 10-K or a 10-Q has undoubtedly noticed that there are pages and pages of text -- the filings aren't just financial statements. Part of this text is the MD&A, and its intent is to explain portions of detailed financial statements. That is, the MD&A is a simplified report of Brooke-Hancock Jefferson Metropolitan Planning Commission's Statement of Net Position, Revenues and Expenditures for the year ended June 30, 2015. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

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

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

For the purposes of doing business in West Virginia, the 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.

Contacting Brooke-Hancock-Jefferson Metropolitan Planning Commission

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015
Unaudited

STATEMENT OF NET POSITION

	2014	2015	Change
Assets			
Current and Other Assets	$ 181,458.00	$ 201,516.00	$ 20,058.00
Capital Asset, net	19,597	14,895	(4,702)
Total Assets	201,055	216,411	15,356
Deferred Outflow of Resources			
Pension		56,618	56,618
Total Deferred Outflow of Resources	-	56,618	56,618
Liabilities			
Current and Other Liabilities	39,044	40,370	1,326
Long Term Liabilities:			
Due in More Than One Year			
Net pension liability		342,162	342,162
Total Liabilities	39,044	382,532	343,488
Deferred Inflows of Resources			
Pension		11,954	11,954
Per Capita Revenues	5,995	5,558	(437)
Total Deferred Inflows of Resources	5,995	17,512	11,517
Net Position			
Net Investment in Capital Assets	19,597	14,895	(4,702)
Unrestricted	136,419	(141,910)	(278,329)
Total Net Position	$ 156,016	$ (127,015)	$ (283,031)

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015
Unaudited

CHANGES IN NET POSITION

	2014	2015	Change
Revenue			
Program Revenue			
Operating Grants and Contributions	708,321	629,174	(79,147)
General Revenues			
Per capita dues	104,878	104,926	48
West Virginia Development Office	104,878	33,744	(71,134)
Miscellaneous	34,704	1,243	(33,461)
Total Revenues	952,781	769,087	(183,694)
Expenses			
Trans. Planning	478,432	474,659	(3,773)
Economic development	168,823	143,968	(24,855)
Transit studies	4,708	6,020	1,312
Comm. Development	93,836	93,299	(537)
Environmental Protection	94,824	21,783	(73,041)
Total Expenses	840,623	739,729	(100,894)
Changes in Net Position	112,158	29,358	(82,800)
Beginning Net Position		(156,373)	(156,373)
Ending Net Position	(156,373)	(127,015)	29,358

FUNCTIONAL EXPENSES

	Total Cost of Servies		Net Cost of Servies	
	2014	2015	2014	2015
Programs				
Transportation Planning	478,432	474,658	(43,736)	(43,269)
Transit Studies	4,708	6,020	(513)	(650)
Community Development	93,836	93,299	(47,393)	(40,917)
Environmental Protection	94,824	21,784	(10,316)	(572)
Economic Development	168,823	143,968	(32,149)	(25,147)
Total Expenses	840,623	739,729	(134,107)	(110,555)

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2015

Government-Wide Activities

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 86,258
Accounts receivable	19,404
Grants and contributions receivable	79,397
Prepaid	16,457
CAPITAL ASSETS	
Property, plant, and equipment, net of accumulated depreciation	14,895
Total assets	216,411
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges	14,891
Deferred outflows of resources - pension	41,727
Total deferred outflows of resources	56,618
TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	**$ 273,029**
LIABILITIES	
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 29,866
Accrued payroll	9,017
Accrued and withheld payroll taxes	126
Accrued and withheld employee benefits	1,361
LONG TERM LIABILITIES	
Net Pension Liability	342,162
Total Liabilities	382,532
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	11,954
Deferred revenues	5,558
Total deferred inflows of resources	17,512
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 400,044**
NET POSITION	
Investment in Capital Assets	$ 14,895
Unrestricted	(141,910)
TOTAL NET POSITION	**$ (127,015)**

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Government-Wide Activities
Primary Government-wide:				
Transportation planning	$314,713	$159,945	$431,389	$(43,269)
Transit studies and capital planning	3,466	2,554	5,370	(650)
Community development projects	51,564	41,735	52,382	(40,917)
Environmental protection projects	12,495	9,289	21,212	(572)
Economic development projects	124,208	19,760	118,821	(25,147)
Total Primary Government-Wide	$506,446	$233,283	$629,174	(110,555)
General Government-wide Revenues:				
Miscellaneous				1,243
Per Capita revenues				104,926
West Virginia Development Office				33,744
Total General Government-Wide Revenues				139,913
CHANGES IN NET POSITION				29,358
NET POSITION, BEGINNING OF YEAR - Restated (See note 4)				(156,373)
NET POSITION, ENDING				$(127,015)

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2015

		General Fund
CURRENT ASSETS		
ASSETS		
Cash and cash equivalents		$86,258
Accounts receivable		19,404
Grants receivable		79,397
Prepaid		16,457
	Total Assets	201,516
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges		14,891
Total Deferred Outflows of Resources		14,891
TOTAL CURRENT ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		**$216,407**
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable		$29,866
Accrued and withheld employee benefits		126
Accrued payroll		9,017
Accrued and withheld payroll taxes		1,361
	Total liabilities	40,370
DEFERRED INFLOWS OF RESOURCES		
Grants not Available		20,443
Total Deferred Inflows of Resources		20,443
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		**$60,813**
FUND BALANCE		
Nonspendable Fund Balance		16,457
Fund balance – unassigned		139,137
	Total fund balance	155,594
TOTAL LIABILITIES, DEFERRED INFLOWS OR RESOURCES AND FUND BALANCE		**$216,407**

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, 2015

General Fund Balance	$155,594
Amounts reported for government-wide activities in the statement of net position are different because:	
Capital assets of $83,038 net of accumulated depreciation of $68,143 are not financial resources and, therefore, are not reported in the fund.	14,895
Deferred inflows due to unrecognized revenue from non-exchanged transactions	14,885
Net pension liability of $342,162 less net deferred inflows/outflows of pension expense of $29,773 are not financial resources and therefore are not reported in the fund.	(312,389)
Net Position of Government-wide Activities	$(127,015)

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 BALANCES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund
REVENUES	
Federal grants and projects	501,143
State financial assistance	71,646
Per capita dues	104,926
Local assistance	76,488
Total revenues	754,203
EXPENDITURES	
Transportation planning	470,640
Transit studies and capital planning	6,009
Community development projects	92,939
Environmental protection projects	21,742
Economic development projects	143,698
Total expenditures	735,028
NET CHANGES IN FUND BALANCE	19,175
GENERAL FUND BALANCE, BEGINNING	136,419
GENERAL FUND BALANCE, ENDING	155,594

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, 2015

Net Change in Fund Balances - General Fund	19,175
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 $5,813 exceeded capital outlays of $1,111 in the current period.	(4,702)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds:	
Grants	14,885
Change in Net Position of Government-wide Activities	29,358

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, 2015

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.

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description	Estimated Lives
Equipment	5 to 15 years

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 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 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. The Commission is not required by Ohio Revised Code to budget, however, the board approves a budget prepared by the financial director to guide them.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2015:

	Balance	Bank Carrying Balance
PNC	$ 97,093	$ 86,158
Petty Cash		$100
Total cash deposits and cash on hand	$ 97,093	$ 86,258

The Commission's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2015, the Commission's balances were not in excess of the FDIC prescribed insured limits

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NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2015, is as follows:

Government-wide Activities:

Equipment Balance of July 1, 2014		$ 125,921
	Additions	1,111
	Deletions	(43,994)
	Balance June 30, 2015	83,038
Accumulated Depreciation		
	Prior Years	(62,330)
	Current Year	(5,813)
	Balance June 30, 2015	(68,143)
Net Capital Assets June 30, 2015		$ 14,895

Direct and Indirect depreciation expense for the period ending June 30, 2015, included in the Government-wide expenses consist of the following:

Transportation planning	$ 4,644
Transit studies and capital planning	22
Community development projects	531
Environmental protection projects	81
Economic development projects	535
Total	$ 5,813

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE RESTATEMENT OF NET POSITION

For fiscal year 2015, the Commission implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	$156,016
Adjustments:	
Net Pension Liability	(334,563)
Deferred Outflow - Payments Subsequent to Measurement Date	22,174
Restated Net Position June 30, 2014	($156,373)

Other than employer contributions subsequent to the measurement date, the Commission made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 5 - DEFERRED INFLOWS OF RESOURCES

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

Local Per-Capita Revenues – Government-wide	$5,558

Local Per-Capita Revenues	$5,558
WVDOT – Federal	12,642
WVDOT – State	1,581
WVDOT – Sec 8 Federal	588
WVDOT – Sec 8 State	74
Total deferred inflows – General Fund	$20,443

NOTE 6 - GRANTS RECEIVABLE

Grants receivable of $79,397 is comprised of amounts due from the following governmental entities at June 30, 2015:

WV Department of Transportation – FHWA (Federal)	$ 22,983
WV Department of Transportation – FHWA (State)	2,874
WV Department of Transportation – FTA Section 8 (Federal)	755
WV Department of Transportation – FTA Section 8 (State)	94
Ohio Department of Transportation – FHWA (Federal)	26,232
Ohio Department of Transportation – FHWA (State)	3,278
Ohio Department of Transportation – FTA Section 8 (Federal)	119
Ohio Department of Transportation – FTA Section 8 (State)	15
Ohio Rideshare	11,502
Weirton Transit Administration	104
Wellsburg Sewer II	5,197
EPA Brooke County – Mahan Lane	4,957
Weirton Sewer	1,196
EPA Brooke County – Mahan Lane Special Project	91
Total grants and contributions receivable	$ 79,397

NOTE 7 - 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, 2015. 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 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.

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 postretirement 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 2015, 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.

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2015, 2014 and 2013 were $6,959 and $3,691, $13,437, respectively. One hundred percent was contributed for 2015, 2014, and 2013.

A. 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 – ECONOMIC DEPENDENCY

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

NOTE 10 – CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

NOTE 11 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

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

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

Plan Description – The Commission employees participate in OPERS, a cost-sharing multiple-employer defined benefit pension plan administered by OPERS. OPERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. OPERS is administered in accordance with Chapter 145 of the Ohio Revised Code (ORC Chapter 145).

The Traditional Pension Plan

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy - Employers are required to make contributions to the System on the basis of a percentage of eligible salary and at a rate based upon the recommendations of the OPERS actuary, subject to the statutory limitations. Penalties and interest are assessed for late payments. The contribution rate for State and Local employers in 2015 was 14.0%.

The 2015 employee contribution rate for State and Local members was 10.0% of earnable salary. Individual accounts for each member of OPERS are maintained and funds contributed by members of the Traditional Pension Plan are fully refundable at service termination or death.

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

The Commissions’ contractually required contribution to OPERS was $50,796.04 for fiscal year 2015. Of this amount $23,463.23 is reported as a deferred outflow.

Age-and-Service Retirement

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under law in effect prior to SB 343 or who will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013 or who will be eligible to retire no later than 10 years after January 7, 2013 are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/ (asset), required supplementary information on the net pension liability/ (asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2014 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Age and service requirements for retirement are as follows:

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

Benefit payments vary in amount depending on years of service credit, FAS, age, and plan of payment selection. FAS is the average of the three highest years of earnable salary for Groups A and B; and the average of the five highest years of earnable salary for members in Group C. The age-and-service formula benefit cannot exceed 100% of the FAS (Law Enforcement is 90%) or the limits under Internal Revenue Code Section 415 and may be subject to the contribution-based benefit cap. The base benefit amount calculated by the formula will be reduced if a member begins receiving a retirement benefit before he/she reaches the age-and-service requirements for an unreduced benefit.

In the Traditional Pension Plan, the benefit formula for State and Local members in transition Groups A and B applies a factor of 2.2% to the member's FAS for the first 30 years of service. A factor of 2.5% is applied to years of service in excess of 30. The benefit formula for State and Local members in transition Group C applies a factor of 2.2% to the member's FAS for the first 35 years of service and a factor of 2.5% is applied to years of service in excess of 35.

Cost-of-Living Adjustment

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Health Care Coverage for Traditional Pension and Combined Plans

Health Care Coverage—with one exception, OPERS-provided health care coverage is neither a guaranteed nor statutorily required benefit. Medicare Part A equivalent coverage for eligible retirees and their eligible dependents is provided by statute. Members that applied for age-and-service retirement with effective dates of December 1, 2014 or earlier and who had 10 or more years of Ohio service credit had access to OPERS-provided health care coverage on a subsidized basis. Eligibility for retirees beginning in January 2015 is outlined later in this document. Beginning in 2014, the following types of service credit will apply to health care eligibility: contributing service, other Ohio retirement system service transfers, interrupted military (USERRA), unreported time, and restored (refunded) service. Access to health care coverage is also available for disability recipients and primary survivor recipients. Dependents of eligible recipients, as defined by the Post-employment Health Care Plan, may be covered through additional premiums.

Currently, the plan provides monthly allowances for health care coverage for retirees and their eligible dependents based on the retiree's years of service. The allowance is determined by the recipient's first eligible date of retirement, his or her years of service at retirement and Medicare status. For those retiring on or after January 1, 2015, health care eligibility will change to age 60 with 20 years of qualifying service or 30 years of qualifying service at any age and the allowance (subsidy) provided by OPERS will be based on age and years of service when a recipient first enrolls in OPERS health care.

Currently, OPERS offers medical and pharmacy plans for recipients yet to enroll in Medicare and those already enrolled in Medicare, typically at age 65. Monthly allowances are used to offset the monthly premium for the coverage provided. The plan for participants who are enrolled in Medicare is a fully insured group Medicare Advantage plan and includes pharmacy coverage through a Medicare Part D prescription drug plan. OPERS is self-insured for participants who are not eligible for Medicare. Beginning in 2016, OPERS will cease offering the group plan to Medicare eligible retirees and instead they will use their allowance to select their plan using the OPERS Medicare Connector.

Recipients with household income below 150% of the poverty level may apply for a 30% reduction in the cost of medical and pharmacy premiums. Recipients also have access to dental and vision coverage. These are fully insured products with the retiree paying the total cost of coverage, including premiums, plan deductibles, and out of pocket expenses. Income level and eligibility requirements for this program will change in 2015.

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission' share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate Share of the Net Pension Liability	0.002838%
Proportion of the Net Pension Liability	$ 312,389.00
Pension Expense	$50,572

At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	18,264
Commission contributions subsequent to the measurement date	23,463
Total Deferred Outflows of Resources	$41,727
Deferred Inflows of Resources	
Differences between expected and actual experience	$6,013
Changes in proportion and differences	4,652
Difference between Commission contributions and proportionate share of contributions	1,289
Total Deferred Inflows of Resources	$11,954

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

$23,463 reported as deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	2015 deferrels
Fiscal Year Ending June 30:	
2016	1290
2017	1290
2018	2869
2019	3188
Thereafter	(2327)
Total	$6,310

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2014
Experience Study	5 Year Period Ending December 31 2010
Actuarial Cost Method	individual entry age
Actuarial Assumptions	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost of Living Adjustments	3.00% Simple

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used set forward two years. For females, 100% of the disabled female mortality rates were used.

The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability or asset calculated using the discount rate of 8.0%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or higher than the current rate.

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

Employers' Net Pension Liability/(Asset)	1% Decrease	Current Discount Rate	1% Increase
	7.00%	8.00%	9.00%
Traditional Pension Plan	$629,486	$342,162	$100,172

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved Asset allocation policy for 2014 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2014	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other Investments	18.00	4.59
Total	100.00 %	5.28%

NOTE 11 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the 115 Health Care Trust portfolios and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member- Directed Plan, and the VEBA Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money-weighted rate of return, net of investment expense, for the Defined-Benefit portfolio is 6.95% for 2014.

NOTE 12 - 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 13 -COST ALLOCATION PLAN

A cost allocation plan is prepared annually by Brooke-Hancock-Jefferson Metropolitan Planning Commission. The plan, which includes fringe benefit and indirect costs, is used for the purpose of determining allocation rates and is prepared in accordance with the 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 Brooke-Hancock-Jefferson Metropolitan Planning Commission adjust its provisional rates to the actual experienced rates prior to final billing. These adjusted provisional rates are subject to audit at the end of each fiscal year, when actual rates are determined and submitted to the over-site agency for approval.

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

NOTE 13 -COST ALLOCATION PLAN (CONTINUED)

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2015.

1. Fringe Benefits

Fringe benefit costs are recorded in the general fund as fringe costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2015 fringe benefit costs were allocated at a provisional rate of 64.10% of direct and indirect labor costs. The actual fringe benefit cost rate was 64.09%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

2. Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2015 indirect costs were allocated at a provisional rate of 125.47% of direct labor costs. The actual indirect cost rate was 123.59%. 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
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Schedule of the Proportionate Share of the Net Pension Liability

The Agency's proportionate share of the Net Pension Liability of the Ohio Public Employers' Retirement System for the previous two calendar years.

	2014 OPERS	2013 OPERS
Proportionate share of the net pension liability	0.002838%	0.002838%
Proportion of the Net Pension Liability	$ 342,162	$ 334,563
Covered Employee Payroll	$ 349,297	$ 337,229
Proportionate share of the net pension liability as a percentage of its' covered-employee payroll	97.96%	99.21%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	86.36%

Note: Information prior to calendar year 2013 is not available.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Schedule of the Agency Contributions

The Agency's contributions to the Ohio Public Employers' Retirement System for the previous two calendar years.

	2014 OPERS	2013 OPERS
Contractually required contributions	$ 53,365	$ 53,741
Contributions in relation to the contractually required contributions	$ (53,365)	$ (53,741)
Contribution deficiency (excess)	$ -	$ -
Agency's covered-employee payroll	$ 349,297	$ 337,229
Contributions as a percentage of the covered-employee payroll	15.28%	15.94%

Note: Information prior to calendar year 2013 is not available.

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

Ohio Public Employers' Retirement System

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for calendar year 2013 and 2014.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for calendar year 2013 and 2014. See the notes to the basic financials for the methods and assumptions in this calculation.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2015

	Budget FY 2015	Actual FY 2015	Difference (Over) Under Budget
Wages paid for time worked:			
Direct labor	$ 214,830	$188,756	$ 26,074
Indirect labor	101,909	101,084	825
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	$316,739	$289,840	$26,899
Fringe Benefits			
Annual / Vacation	$22,758	$22,481	$277
Sick leave	6,685	7,247	(562)
Holiday	17,549	15,938	1,611
Other leave	-	1,217	(1,217)
Subtotal Fringe Benefit Wages	$46,992	$46,883	$109
Other Fringe Benefits			
Medicare	$5,274	$4,878	$396
Employment services	226	253	(27)
Life	1,717	1,402	315
Hospitalization	94,091	79,398	14,693
OPERS	55,323	50,572	4,751
Vision / Dental / Wellness	6,000	3,815	2,185
Workers' Compensation	727	(1,428)	2,155
Subtotal Other Fringe Benefits	$163,358	$138,890	$24,468
TOTAL FRINGE BENEFITS	$210,350	$185,773	$24,577
Indirect Costs			
Salaries – indirect only	$101,909	$101,084	$825
Fringe benefits for indirect salaries	67,679	64,789	2,890
Advertising	500	1,255	(755)
Audit Services	14,500	10,784	3,716
Computer / Internet Repairs	5,000	4,635	365
Copier	500	-	500
Depreciation	4,900	1,776	3,124
Equipment expense	5,000	485	4,515
Finance consulting & publications	1,500	517	983
Insurance/bonds	3,300	3,135	165
Legal service	300	-	300
Memberships and subscriptions	1,300	626	674
Miscellaneous	3,500	2,280	1,220
Postage	4,500	563	3,937
Publications and printing	500	224	276
Rent	33,000	33,000	-
Software/technical support	2,000	499	1,501
Supplies	6,500	3,695	2,805
Telephone	6,000	3,471	2,529
Travel	750	465	285
TOTAL INDIRECT COSTS	$263,138	$233,283	$29,855

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF RATES
FRINGE, INDIRECT & COMBINED RATE 1998 TO 2015

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	(11)%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	23%
2004	0.7020	1.2558	1.9578	(7)%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.6620	1.1954	1.8574	(13)%
2008	0.6314	1.2770	1.9084	3%
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	(11)%
2012	0.7030	1.1899	1.8929	1%
2013	0.7430	1.3117	2.0547	10%
2014	0.6304	1.2932	1.9236	2%
2015	0.6409	1.2359	1.8768	(9)%
2016 Projected	0.6603	1.2284	1.8887	(2)%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2014 TO 2015
INDIRECT COSTS

	2014	2015	change	% change
TOTAL INDIRECT COSTS	**$246,708**	**$233,284**	**$ (13,424)**	**(5.44)%**
Personnel	105,215	101,084	(4,131)	(3.93)%
Fringe Benefits	66,324	64,789	(1,535)	(2.31)%
Advertising	884	1,255	371	41.97%
Audit Services	14,905	10,784	(4,121)	(27.65)%
Computer / Internet Repairs		4,635	4,635	100.00%
Depreciation	2,498	1,776	(722)	(28.90)%
Equipment Cost	2,165	485	(1,680)	(77.60)%
Financial Consultant / Publications	439	517	78	17.77%
Insurance	2,848	3,135	287	10.08%
Legal Services	420	-	(420)	(100.00)%
Membership	992	626	(366)	(36.90)%
Miscellaneous	2,403	2,280	(123)	(5.12)%
Postage	3,663	563	(3,100)	(84.63)%
Publications & printing	309	224	(85)	(27.51)%
Rent	33,000	33,000	-	0.00%
Software / Training	1,157	500	(657)	(56.78)%
Supplies	3,669	3,695	26	0.71%
Telephone	4,420	3,471	(949)	(21.47)%
Travel	1,397	465	(932)	(66.71)%
INDIRECT COST RATE	**129.32%**	**123.59%**	**(5.73)%**	**(4.43)%**

	2014	2015	change	% change
TOTAL FRINGE BENEFITS	**$186,578**	**$185,771**	**$(807)**	**(0.43)%**
Salary Benefits	42,841	46,882	4,041	9.43%
Payroll Benefits	6,003	8,919	2,916	48.58%
Health Insurance	86,034	79,398	(6,636)	(7.71)%
Ohio PERS	51,700	50,572	(1,128)	(2.18)%
FRINGE BENEFIT RATE	**63.04%**	**64.09%**	**1.05%**	**1.67%**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2015

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	101,084	421	101,505
Fringe benefits	64,789	283	65,072
Advertising	1,255	-	1,255
Audit and personal service contracts	10,784	-	10,784
Dues and publications	1,366	-	1,366
Equipment costs	6,896	-	6,896
Insurance	3,136	-	3,136
Postage	563	-	563
Rent	33,000	-	33,000
Supplies	3,695	92	3,787
Telephone	3,471	-	3,471
Travel	465	-	465
Other	2,779	5,844	8,623
Total, Government-Wide Level	233,283	6,640	239,923
Indirect Depreciation			(1,776)
Total, Fund Level			238,147

INDIRECT COST RATE COMPUTATION

Total Indirect Costs	233,283	=	123.59%
Direct Personnel Costs	188,756		

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2015

Salary benefits		$46,882	
Payroll benefits:			
Medicare	4,878		
Unemployment insurance	253		
Worker's Compensation	(1,428)		
		3,703	
Other benefits:			
Health insurance	79,398		
Life insurance	1,402		
Dental/Vision/Wellness	3,815		
Ohio PERS	50,572		
		$135,187	
Total fringe benefits			$185,772

FRINGE BENEFIT RATE COMPUTATION

TOTAL FRINGE BENEFITS	185,772	=	64.09%
TOTAL PERSONNEL COSTS	289,840		

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	69,905	8,738	8,738	87,381	27,548	17,655	34,045	8,133	87,381
OH Short Range	20,321	2,549	2,544	25,414	8,610	5,517	10,642	645	25,414
OH TIP	11,760	1,470	1,472	14,702	4,750	3,044	5,871	1,037	14,702
OH Surveillance	44,055	5,506	5,516	55,077	17,938	11,498	22,172	3,469	55,077
WV Department of Transportation	37,544	4,693	4,693	46,930	15,057	9,649	18,609	3,615	46,930
WV Short Range	15,954	1,987	1,995	19,936	6,755	4,331	8,348	502	19,936
WV TIP	9,233	1,155	1,155	11,543	3,730	2,391	4,610	812	11,543
WV Surveillance	34,587	4,326	4,326	43,239	14,085	9,026	17,406	2,722	43,239
Weirton Transit Administration		-	5,109	5,109	1,549	993	1,914	653	5,109
Ohio Long Range Finance Element									
Ohio Department of Transportation	38,260	4,781	4,790	47,831	15,876	10,175	19,620	2,160	47,831
WV Department of Transportation	30,037	3,757	3,757	37,551	12,464	7,988	15,404	1,696	37,551
Ohio Rideshare									
Ohio Department of Transportation	75,684	-	-	75,684	785	503	970	73,427	75,684
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	1,887	236	236	2,359	815	522	1,007	14	2,359
WV Department of Transportation	2,885	361	361	3,607	1,248	800	1,543	16	3,607
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/14 – 12/31/14	26,147	28,892	-	55,039	16,069	11,032	21,644	6,295	55,039
302(a)(1) 01/01/15– 06/30/15	26,114	4,850	6,340	37,304	17,647	10,577	20,025	(10,945)	37,304
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	70,000		72,676	142,676	15,907	10,195	19,659	96,916	142,677
Projects and Programs									
Miscellaneous Projects			121	121	-	-	-	121	121
Mahan Lane Phase II			9,340	9,340	3,247	2,081	4,012		9,340
Wellsburg Sewer II			5,197	5,197	1,807	1,158	2,232		5,197
Wellsburg Water			(313)	(313)	22	14	26		62
Weirton Sewer			6,988	6,988	2,429	1,557	3,003		6,989
TOTALS	**514,373**	**73,301**	**145,041**	**732,715**	**188,337**	**120,705**	**232,761**	**191,288**	**733,092**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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, 2015

	Agency or CFDA Number	Pass Through Number	Expenditures
U. S. DEPARTMENT OF TRANSPORTATION			
Federal Highway Administration	20.205		
Pass-through from Ohio Department of Transportation			
Highway Planning & Construction		DOTC 17666-1	184,302
Transit Technical Studies – FTA Section 8		DOTC 17666-1	1,887
Rideshare Green – CMAQ – 2015		DOTIE140 000432	75,684
Pass-through from West Virginia Department of Transportation			
Highway Planning & Construction		OL 603	127,356
Transit Technical Studies – FTA Section 8		OL 603	2,885
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			**392,114**
APPALACHIAN REGIONAL COMMISSION			
Appalachian Local Development District	23.009		
Pass-through from WV Region XI			
ARC Administrative – 2014		WV-2436-C41	26,147
ARC Administrative – 2015		WV-2436-C42	26,114
TOTAL APPALACHIAN REGIONAL COMMISSION			**52,261**
U. S. DEPARTMENT OF COMMERCE			
Economic Development Partnership Planning Program	11.303		
Pass-through from the WV EDA Region XI		10-83-14416-01	70,000
TOTAL U. S. DEPARTMENT OF COMMERCE			**70,000**
TOTAL FEDERAL AWARDS			**514,375**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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.

INDEPENDENT AUDITOR'S 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 governmental activities and the major fund of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, (the Commission) as of and for the year ended June 30, 2015, 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 10, 2015. We also noted the Commission adopted Governmental Accounting Standards Board Statements 68 and 71.

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 opinion 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.

Dave Yost
Auditor of State
Columbus, Ohio

December 10, 2015

Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, 2015. 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, 2015.

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 10, 2015

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015

1. SUMMARY OF AUDITOR'S RESULTS

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