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Certified Public Accountants, A.C.

**BUCKEYE HILLS-HOCKING VALLEY
REGIONAL DEVELOPMENT DISTRICT**

Single Audit
For the Year Ended June 30, 2016

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...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

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- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board Members
Buckeye Hills-Hocking Valley Regional Development District
1400 Pike Street
Marietta, Ohio 45750

We have reviewed the *Independent Auditor's Report* of the Buckeye Hills-Hocking Valley Regional Development District, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Hills-Hocking Valley Regional Development District is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

March 24, 2017

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BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

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BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

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INDEPENDENT AUDITOR'S REPORT

January 10, 2017

Buckeye Hills-Hocking Valley Regional Development District
1400 Pike Street
Marietta, Ohio 45750

To Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Buckeye Hills-Hocking Valley Regional Development District**, Washington County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District'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 District'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 District's internal control. Accordingly, we express no opinion.



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Auditor's Responsibility (Continued)

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 the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Buckeye Hills-Hocking Valley Regional Development District, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and the Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions – Ohio Public Employees Retirement System 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 District's basic financial statements taken as a whole.

Schedules A through D present additional analysis intended for the Ohio Department of Aging and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2017, on our consideration of the District'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 District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Buckeye Hills-Hocking Valley Regional Development District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2016 are as follows:

- Net position of governmental activities decreased by \$382,131.
- Intergovernmental revenues in the form of federal and state grant funds for governmental activities accounted for \$19,891,152 in revenue, or 85.3 percent of all governmental revenues. Program specific revenues in the form of charges for services accounted for \$3,046,582, or 13.1 percent of total revenues of \$23,312,087.
- The District had \$23,694,218 in expenses related to governmental activities; all except \$756,484 of these expenses were offset by program-specific charges for services, grants, and contributions. General revenues of \$374,353 offset this amount.
- No new loans were made from the Revolving Loan Fund in the current year.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The statement of net position and statement of activities provide information about the activities of the whole agency, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented, in total, in one column.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the District to provide programs and activities for citizens, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2016?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the availability of federal and state grant funding, continued support from member governments, and other factors.

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the District's major funds is included in the fund financial statements. Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, revolving loan fund, and Medicaid fund.

Governmental Funds - The District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 16 to 32 of this report.

Government-Wide Financial Analysis

Recall that the statement of net position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2016, compared to the year ended June 30, 2015. The District has only governmental funds.

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE 1
NET POSITION**

	<u>2016</u>	<u>2015</u>
Assets		
Current and Other Assets	\$ 4,017,075	\$ 3,486,071
Capital Assets, Net	1,037,502	1,073,368
Net Pension Asset	9,484	4,676
Loans Receivable, Net	558,980	651,273
Total Assets	<u>5,623,041</u>	<u>5,215,388</u>
Total Deferred Outflows of Resources	<u>1,516,435</u>	<u>241,795</u>
Liabilities		
Current and Other Liabilities	2,150,714	1,799,691
Net Pension Liability	3,843,241	2,323,264
Other Long-Term Liabilities	1,341,918	1,340,707
Total Liabilities	<u>7,335,873</u>	<u>5,463,662</u>
Total Deferred Inflows of Resources	<u>221,417</u>	<u>29,204</u>
Net Position		
Net Investment in Capital Assets	(143,927)	(124,868)
Restricted	1,473,782	1,487,490
Unrestricted	(1,747,669)	(1,398,305)
Total Net Position	<u>\$ (417,814)</u>	<u>\$ (35,683)</u>

Please see the section titled "Accounting and Financial Reporting for Pension", as well as note 4 of the financial statements, for a more complete discussion of the net pension asset, net pension liability, deferred outflows and deferred inflows related to pensions as well as the restatement of net position.

Total assets increased \$407,653. Loans receivable decreased by \$92,293 representing principal repayments on loans and the charge-off of uncollectible loan principal exceeding the amount of new loans granted. Cash and cash equivalents increased by \$417,937. Cash in the revolving loan fund increased due to the reduction in outstanding loans and cash in other funds increased due to more advance funding of grants. Grants receivable increased \$958,588, due primarily to an increase in receivables related to Medicaid. Total liabilities increased \$1,872,211, primarily the result of an increase in Net Pension Liability.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2016, compared to the fiscal year ended June 30, 2015.

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE 2
CHANGE IN NET POSITION**

	2016	2015
Revenues		
Program Revenues:		
Charges for Services	\$ 3,046,582	\$ 1,760,803
Operating Grants and Contributions	19,891,152	17,301,035
Total Program Revenues	22,937,734	19,061,838
General Revenues:		
Interest Income	20,522	53,495
Miscellaneous	353,831	217,968
Total General Revenues	374,353	271,463
Total Revenues	23,312,087	19,333,301
Expenses		
General Government	23,642,846	19,302,256
Interest	51,372	52,760
Total Expenses	23,694,218	19,355,016
Change in Net Position	(382,131)	(21,715)
Net Position, Beginning of Year	(35,683)	(13,968)
Net Position, End of Year	\$ (417,814)	\$ (35,683)

In fiscal years 2016 and 2015, 85.3% and 89.5% percent of the District's revenues were from operating grants and contributions.

Program revenues accounted for nearly all the District's revenues in both fiscal years. These revenues consist of various federal and state grants and charges for services, including interest on revolving loan fund loans.

Net position decreased in 2016 primarily because of an increase in net pension liability of \$1,519,977 offset by an increase of deferred outflows of resources related to pensions of \$1,274,640.

General government activities account for almost 100 percent of total program expenses with interest expense accounting for the remaining portion of expenses.

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

THE DISTRICT'S FUNDS

The District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$23,312,087 and expenditures of \$23,224,399, resulting in an increase in total fund balances of \$87,688. The District's major funds were the same as the previous year and consist of the General, Revolving Loan, and Medicaid funds.

The General Fund had an excess of revenues over expenditures of \$101,397 in 2016, compared to the revenues exceeding expenditures by \$3,595 during fiscal year 2015.

The Revolving Loan Fund's expenditures exceeded its revenues by \$13,709 for 2016.

ECONOMIC FACTORS

The District is currently operating within its means. However, the District's ability to attract administrative and program funds for its projects is heavily dependent upon the federal and state governments and the availability of grant funds. Nearly all the District's funds come from federal and state grants. The District operates within a designated eight-county area of Southeastern Ohio. Loans made through the Revolving Loan Fund are to businesses within this area. The ability of borrowers to repay these loans is largely contingent upon the business economy in the eight-county area.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the District had \$1,037,502 invested in land, building, office equipment, and computer equipment. Table 3 shows the fiscal year 2016 balances as compared to 2015.

**TABLE 3
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)**

	Governmental Activities	
	2016	2015
Land	\$ 8,000	\$ 8,000
Building	982,666	1,012,444
Office Equipment	20,560	12,160
Computer Equipment	26,276	40,764
Total	\$ 1,037,502	\$ 1,073,368

Changes in capital assets from the prior year resulted from additions, and depreciation expense. See Note 6 to the basic financial statements for more detailed information on the District's capital assets.

Debt

At June 30, 2016, the District had capital leases outstanding in the amount of \$1,181,429, of which \$16,826 is due within one year. These leases were entered into for office equipment and for a building. See Note 3 to the basic financial statements for more detailed information on the District's capital lease obligations.

**BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS

During 2015, the District 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 District'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 District'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 District 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 District'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 District is reporting a net pension asset, net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Denise Keyes, Director of Fiscal Operations, 1400 Pike Street, Marietta, Ohio 45750.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities
ASSETS	
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 2,165,349
Prepaid Items	150,352
Loans Receivable, Net	558,980
Accrued Interest Receivable	7,124
Grants Receivable	1,694,250
Noncurrent Assets	
Net Pension Asset	9,484
Nondepreciable Capital Assets	8,000
Depreciable Capital Assets, Net	1,029,502
<i>Total Assets</i>	5,623,041
DEFERRED OUTFLOWS OF RESOURCES	
<i>Pension</i>	1,516,435
<i>Total Deferred Outflows of Resources</i>	1,516,435
LIABILITIES	
Current Liabilities	
Accounts Payable	1,502,329
Accrued Wages and Benefits	168,644
Contractual Advances	479,741
Long-Term Liabilities	
Due within One Year	16,826
Due in More than One Year	
Pension	3,843,241
Other Amounts Due in More than One Year	1,325,092
<i>Total Liabilities</i>	7,335,873
DEFERRED INFLOWS OF RESOURCES	
<i>Pension</i>	221,417
<i>Total Deferred Inflows of Resources</i>	221,417
NET POSITION	
Net Investment in Capital Assets	(143,927)
Restricted for:	
Loans	1,473,782
Unrestricted (deficit)	(1,747,669)
<i>Total Net Position</i>	\$ (417,814)

See accompanying notes to these financial statements.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

	Program Revenues		Net Expense and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
Governmental Activities:				
General Government	\$ 23,642,846	\$ 3,046,582	\$ 19,891,152	\$ (705,112)
Interest	51,372	-	-	(51,372)
Total Governmental Activities	<u>\$ 23,694,218</u>	<u>\$ 3,046,582</u>	<u>\$ 19,891,152</u>	<u>(756,484)</u>
		General Revenues		
				20,522
				353,831
				<u>374,353</u>
				(382,131)
				<u>(35,683)</u>
				<u>\$ (417,814)</u>

See accompanying notes to these financial statements.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Revolving Loan Fund	Medicaid Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Cash Equivalents	\$ 1,034,199	\$ 907,677	\$ 137,707	\$ 85,765	\$ 2,165,348
Grants Receivable	-	-	1,133,862	560,388	1,694,250
Prepays	150,352	-	-	-	150,352
Accrued Interest Receivable	-	7,124	-	-	7,124
Loans Receivable, Net	-	558,980	-	-	558,980
<i>Total Assets</i>	<u>\$ 1,184,551</u>	<u>\$ 1,473,781</u>	<u>\$ 1,271,569</u>	<u>\$ 646,153</u>	<u>\$ 4,576,054</u>
LIABILITIES					
Accounts Payable	\$ 64,347	\$ -	\$ 1,271,569	\$ 166,412	\$ 1,502,328
Accrued Wages and Benefits	168,644	-	-	-	168,644
Contractual Advances	-	-	-	479,741	479,741
<i>Total Liabilities</i>	<u>232,991</u>	<u>-</u>	<u>1,271,569</u>	<u>646,153</u>	<u>2,150,713</u>
FUND BALANCES					
Restricted for Loan Program	-	1,473,781	-	-	1,473,781
Unassigned	951,560	-	-	-	951,560
<i>Total Fund Balances</i>	<u>951,560</u>	<u>1,473,781</u>	<u>-</u>	<u>-</u>	<u>2,425,341</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,184,551</u>	<u>\$ 1,473,781</u>	<u>\$ 1,271,569</u>	<u>\$ 646,153</u>	<u>\$ 4,576,054</u>

See accompanying notes to these financial statements.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2016

Total Governmental Fund Balances	\$	2,425,341
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,037,502
The net pension asset and liability are not due and payable in the current period; therefore, the asset and liability and related deferred inflows and outflows are not reported in governmental funds.		
Net Pension Asset		9,484
Net Pension Liability		(3,843,241)
Deferred Outflows - Pension		1,516,435
Deferred Inflows - Pension		(221,417)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Capital Leases		(1,181,429)
Compensated Absences		(160,489)
		(1,341,918)
Net position of governmental activities	\$	(417,814)

See accompanying notes to these financial statements.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Revolving Loan Fund	Medicaid Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Intergovernmental	\$ 26,563	\$ 4,270	\$ 16,350,996	\$ 3,506,766	\$ 19,888,595
Interest	-	20,074	362	86	20,522
Charges for Services	3,230	1,193	211,373	2,830,786	3,046,582
Contributions and Donations	-	-	-	2,557	2,557
Other	103,875	17,815	-	232,141	353,831
<i>Total Revenues</i>	<u>133,668</u>	<u>43,352</u>	<u>16,562,731</u>	<u>6,572,336</u>	<u>23,312,087</u>
Expenditures					
Current:					
General Government	32,271	57,061	16,516,110	6,550,778	23,156,220
Debt Service:					
Principal Retirement	-	-	11,493	5,314	16,807
Interest	-	-	35,128	16,244	51,372
<i>Total Expenditures</i>	<u>32,271</u>	<u>57,061</u>	<u>16,562,731</u>	<u>6,572,336</u>	<u>23,224,399</u>
<i>Net Change in Fund Balances</i>	101,397	(13,709)	-	-	87,688
<i>Fund Balances, Beginning of Year</i>	<u>850,163</u>	<u>1,487,490</u>	<u>-</u>	<u>-</u>	<u>2,337,653</u>
<i>Fund Balances, End of Year</i>	<u>\$ 951,560</u>	<u>\$ 1,473,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,425,341</u>

See accompanying notes to these financial statements.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
*Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016*

Net Change in Fund Balances - Total Governmental Funds \$ 87,688

*Amounts reported for governmental activities in the
statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets greater than \$5,000 is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Asset Additions	13,700
Depreciation	(49,566)

Repayment of capital leases is an expenditure in the governmental funds and a reduction of liabilities in the statement of net position.	16,807
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Except for amounts reported as deferred inflows/outflows, changes in net pension asset/liability are reported as pension expenses in the statement of activities.	(432,742)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported when due. Increase in Compensated Absences	(18,018)
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<i>Change in Net Position of Governmental Activities</i>	\$ (382,131)
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See accompanying notes to these financial statements.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Buckeye Hills-Hocking Valley Regional Development District (the District) was created as an agency established by agreement among its members pursuant to Section 167.01-08 of the Ohio Revised Code. The District is organized as a voluntary organization of local government political subdivisions in Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties to foster a cooperative effort in regional planning, programming, and implementing regional plans and programs. The District is also organized as a forum for the discussion and study of common problems of a regional nature, and for the development of policy and action recommendations relating thereto.

The functions of the District are:

1. To foster, develop, and review plans for regional growth, development, and conservation; and to aid in coordinating plans among local governments.
2. To perform planning directly by personnel of the District, or under contracts between the District and other public and private planning agencies; to undertake studies, collect data, develop regional plans and programs, and engage in such other activities as the District finds necessary or desirable for the solution of regional problems. Said planning and studies shall include, but will not be limited to, those relating to land use, transportation, housing, environmental controls, health, economic development, and community and public facilities.
3. To serve, upon the request of the local government, as a representative of such government in such matters as may affect the region as a whole.
4. To provide a continuing practical structural mechanism to promote communication and cooperation among area governmental units and agencies.
5. To review, evaluate, comment upon, and make recommendations relating to the planning and programming, and the location, financing, and scheduling of programs in the region through the A-95 program review process.

The District may perform common functions and services characteristic of its individual political subdivisions as described in ORC 167.03.

The District may enter into special purpose contracts or agreements with one or more local government units or private non-profit organizations within the District to act on their behalf in applying for, administering, and coordinating grants and contracts available for programs authorized by state and federal laws for physical, economic, and human resources planning and development.

The authority granted to the District shall not displace any existing municipal, county, or regional planning commission in the exercise of its statutory powers.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Eligibility

All cities, counties, and county seats within the counties of Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington are eligible for membership in the District. Membership may be extended to other local political subdivisions, government agencies, and quasi-governmental agencies located both within and outside the eight-county area if said membership is conducive to facilitating federal, state, or regional planning objectives. Also, temporary associate membership may be extended for a special project lying partially outside the boundaries of the eight-county area. The latter membership's authorization shall be made upon majority approval of the General Policy Council's total membership.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; (2) the District is legally entitled to or can otherwise access the organization's resources; (3) the District is legally obligated or has otherwise assumed the responsibility to finance deficits or provide financial support to the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations for which the District approves the budget, the issuance of debt, or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. The District has no component units.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary 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. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from services or privileges provided by a given function or segment and (2) 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 instead as *general revenues*. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are prepared 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when payable from current resources.

Grants and entitlements and interest associated with the current fiscal period are all considered being susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

General Fund - The General Fund is used to account for all financial resources of the District except those accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio and the bylaws of the District.

Revolving Loan Fund - The Revolving Loan Fund offers low interest loans to businesses within the District's eight-county region. Such funds are to be used in the event that full financing cannot be obtained from a bank, or to fill the gap between bank financing and the financing necessary to complete a business project. Bank participation is required. The primary source of funding for the Revolving Loan Fund is from grants.

Medicaid Fund - The Medicaid Fund is used to account for the activities of the Pre-Admission Screening System Providing Options and Resources Today (PASSPORT) and Assisted Living programs. These are Ohio Medicaid waiver programs that provide in-home alternatives to nursing care for low-income seniors. The programs are jointly funded by the State of Ohio and the federal government.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end. Under the modified accrual basis, only interest is considered to be both measurable and available at fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal 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 District must provide local resources to be used for a specified purpose, and expenditures requirements in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

On the 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.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the District, deferred outflows of resources have been reported for the following two items related the District's net pension liability: (1) the difference between expected and actual experience of the pension systems, and (2) the District's contributions to the pension systems subsequent to the measurement date.

In addition to liabilities, the government-wide statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources have been reported for the following two items related to the District's net pension asset and liability: (1) the net difference between projected and actual earning on pension plan investments related to the District's net pension asset and liability, and (2) the net difference between the proportionate share of employer contributions and actual employer contributions.

Interfund Transactions

During the course of normal operations, the District has transactions between funds. On the balance sheet, receivables and payables resulting from short-term interfund loans are classified as "due to/due from other funds." These amounts are eliminated on the statement of net position.

Capital Assets

General capital assets consist primarily of a building, office furnishings, and equipment and generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. The assets are owned by the District while used in the program for which they were purchased. The Ohio Department of Aging (ODA) has a reversionary interest in the assets purchased with funds which it provides. Disposition of these assets is subject to ODA regulations.

All capital assets are capitalized at cost and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or extend the asset's life are not capitalized. Capital assets are depreciated over the following lives: office equipment - 3 to 5 years; computer equipment - 5 years; and building - 45 years.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board. Those committed amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the District Board.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Pensions

For purposes of measuring the net pension asset, 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.

Net Position

Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consist of capital assets, net of accumulated depreciation reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's restricted net position of \$1,473,782, none is restricted by enabling legislation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

Although a legal budget is not required, nor is a budgetary statement, budgets for expenditure of federal grants are submitted to, and approved by, the federal government agency at the time the grants are awarded.

The District's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended June 30.

The District's primary funding sources are federal and state grants which have grant periods that may or may not coincide with the District's fiscal year. These grants normally are for a 12-month period; however, they can be awarded for periods shorter or longer than 12 months.

Because of the District's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding. The District's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimates;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

Management utilizes budgets for monitoring financial activity, but budgets are not formally approved by the Board. Therefore, budgetary comparison schedules are not presented.

2 CFR Part 225 (formerly Office of Management and Budget Circular A-87) provides for the establishment of cost pools which are to be distributed over the benefiting activity in some rational and equitable manner. The concept of indirect costs is introduced and defined as follows: "Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved."

2 CFR Part 225 also provides the following basis options for the allocation of indirect costs accumulated in an indirect cost pool: (1) direct salary costs or (2) total direct costs, excluding items like large consulting contracts and capital expenditures.

The District chose the direct salary cost method because management determined that the more salary costs a grant has, the more indirect costs the grant would have. Management and administrative salaries and indirect costs are allocated to the various programs using the actual rate as determined by the method shown in the District's Cost Allocation Plan.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans Receivable/Allowance for Loan Losses

Loans receivable consist of long-term revolving loans to provide low-interest loans to businesses to create jobs in the region. The Appalachian Regional Commission and Economic Development Administration have granted money for these loans. An expenditure is recorded when the loan is made. The allowance for loan losses in the amount of \$39,360 at June 30, 2016, is based upon management's assessment of current and historical loss experience, loan portfolio trends, prevailing economic and business conditions, specific loan review, and other relevant factors. Specific allowances are established for any impaired loan for which the recorded investment in the loan exceeds the measured value of the loan. In management's opinion, the provision is sufficient to maintain the allowance for loan losses at a level that adequately provides for potential losses.

Compensated Absences

The following policies of the District regarding leave accruals were followed:

Vacation Leave

Full-time employees earn vacation annually, on their hire date, on the following basis: 1 through 5 years of employment, 15 working days; 6 through 10 years of employment, 20 working days; 11 through 20 years, 25 working days; and 21 or more years, 30 working days.

If an employee has a balance of vacation leave at the end of their annual period, they may carry over up to 35 hours with any hours above 35 being lost.

After 6 months of employment, all employees may take an advance of up to 35 hours of vacation leave that is charged to their first year accrual of vacation leave.

All employees are entitled to full payment of any unused vacation pay upon separation from the District.

All employees who exercise the option of taking an advance of vacation against their first year accrual are liable for repayment to the District if they separate from service with the District prior to one full year of employment.

Employees with 21 years and over of service have the option of receiving 5 days of pay and a reduction of vacation leave available by 5 days.

Sick Leave

Full-time employees, from the date of employment, shall earn leave at the rate of one and one-fourth days for each month worked, up to a maximum of 132 days.

All employees who accumulate sick leave hours in excess of 132 days will receive pay for accumulated leave on a ration of one-half of accumulated leave in excess of 132 days and will be calculated at the employee's current rate of pay at the end of each fiscal year.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Upon retirement within the PERS system and with at least 10 years of service to the District, an employee may elect to be paid in cash for one-fourth of the value of their accrued sick leave credit to a maximum of 33 days. Such payment shall be based on the employee's rate of pay at the time of retirement, and such payment may be made only once to any employee. The maximum payment which may be made under this shall be one-fourth of 132 days.

In the event of the death of an employee who has at least 10 years of service, payment of unused sick leave will be made to the employee's spouse or estate in the same manner as a retiring individual.

As of June 30, 2016, the District had no employees eligible for retirement, thus no liability was recorded for sick leave severance.

Holidays

The District has ten official holidays per year. Full-time employees are paid for these holidays; part-time employees are not paid.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the District. Settled claims have not exceeded coverage in any of the last 3 years. There has been no significant reduction in coverage from the prior fiscal year.

NOTE 2 - DEPOSITS AND INVESTMENTS

The investments and deposits of the District are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the District to invest monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The District may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities with a market value equal to 105 percent of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of, or guaranteed by the United States and 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 that securities maintained for public deposits and investments be held in the District's name. The District is prohibited from investing in any financial instrument contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). The District is also prohibited from investing in reverse repurchase agreements.

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as a specific collateral held at the Federal Reserve Bank in the name of the District.

As of June 30, 2016, the carrying amount of the District's deposits was \$2,165,349. The entire bank balance was either covered by FDIC or collateralized by a pool of securities maintained by the District's financial institutions, but not in the District's name.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 3 - LEASES

Capital Leases

In August 2004, the District entered into a lease for a building which houses substantially all of its operations. The term of the lease is 45 years. The District has elected to capitalize this lease in accordance with the provisions of GASB No. 62. This asset under capital lease has been capitalized in the governmental activities general capital assets at \$1,340,000, which represents the present value of the future minimum lease payments at acquisition.

The following is a schedule of future minimum lease payments under the capital leases as of June 30, 2016:

<u>Year Ending June 30,</u>	
2017	\$ 68,179
2018	68,179
2019	68,179
2020	68,179
2021	68,179
2022-2026	340,895
2027-2031	340,895
2032-2036	340,895
2037-2041	340,895
2042-2046	340,895
2047-2051	<u>204,537</u>
Total Minimum Lease Payment	2,249,907
Amount Representing Interest	<u>(1,068,478)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 1,181,429</u></u>

Operating Lease

In August 2004, the District entered into a lease for a building which houses substantially all of its operations. As more fully described under capital leases, the District capitalized a portion of this lease. The remainder of this lease is being reported as an operating lease. The lease cost was amended effective January 1, 2009. The term of the lease is 45 years, with a fixed monthly payment of \$10,468 (the other \$5,682 fixed monthly payment is part of the capital lease). The lessor is responsible for the payment of all utilities costs, real estate taxes, property insurance, and repairs and maintenance. The future minimum lease payments required are \$125,616 for each year through June 30, 2049.

NOTE 4 – DEFINED BENEFIT PENSION PLAN

Net Pension Asset and Liability

The net pension asset and liability reported on the statement of net position represents an assets and a liability, respectively, 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.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The net pension asset and liability represents the District'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 asset and 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the asset and liability is solely the asset and obligation, respectively, 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 excess funded or unfunded benefits is presented as a long-term net pension asset or 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

Plan Description - District employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. District employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members no in the other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (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 percent 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 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2015 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee	10.0%
2015 Actual Contribution Rates	
Employer:	
Pension	12.0%
Post-employment Health Care Benefits	<u>2.0%</u>
Total Employer	<u>14.0%</u>
Employee	<u>10.0%</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The District’s contractually required contribution was \$323,119 for 2016.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 4 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension asset and liability was based on the District's 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:

	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$ 3,843,241	\$ (9,484)	\$ 3,833,757
Proportion of the Net Pension Liability/(Asset)	0.0221880%	0.0194900%	
Pension Expense	\$ 540,009	\$ 5,001	\$ 545,010

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$ 1,129,673	\$ 4,095	\$ 1,133,768
Changes in proportion and differences between government contributions and proportionate share of contributions	227,357	3,138	230,495
District contributions subsequent to the measurement date	<u>146,975</u>	<u>5,197</u>	<u>152,172</u>
Total Deferred Outflows of Resources	<u>\$ 1,504,005</u>	<u>\$ 12,430</u>	<u>\$ 1,516,435</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 74,259	\$ 4,328	\$ 78,587
Changes in proportion and differences between government contributions and proportionate share of contributions	<u>142,758</u>	<u>72</u>	<u>142,830</u>
Total Deferred Inflows of Resources	<u>\$ 217,017</u>	<u>\$ 4,400</u>	<u>\$ 221,417</u>

\$152,172 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Fiscal year Ending June 30:	<u>Traditional Pension Plan</u>	<u>Combined Pension Plan</u>	<u>Total</u>
2017	\$ 286,248	\$ 870	\$ 287,118
2018	301,929	870	302,799
2019	292,661	870	293,531
2020	259,175	800	259,975
2021	-	(171)	(171)
Thereafter	-	(406)	(406)
Total	<u>\$ 1,140,013</u>	<u>\$ 2,833</u>	<u>\$ 1,142,846</u>

Actuarial Assumptions - OPERS

OPERS’ total pension asset and liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, 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 and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee’s entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2015, are presented below:

Actuarial Information	Traditional Pension Plan	Combined Plan
Valuation Date	December 31, 2015	December 31, 2015
Experience Study	5 Year Period Ended December 31, 2010	5 Year Period Ended December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions:		
Investment Rate of Return	8%	8%
Wage Inflation	3.75%	3.75%
Projected Salary Increases	4.25% - 10.05% (includes wage inflation at 3.75%)	4.25% - 8.05% (includes wage inflation at 3.75%)
Cost-of-living Adjustments	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.80% Simple	Pre 1/7/2013 Retirees: 3.00% Simple Post 1/7/2013 Retirees: 3.00% Simple through 2018, then 2.80% Simple

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 – DEFINED BENEFIT PENSION PLAN (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 most recent experience study was completed for the five year period ended December 31, 2010.

The long-term 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 real 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 Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio 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 Trust. 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 investments expense, for the Defined Benefit portfolio is 6.95 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees 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 table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2015	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%	5.27%

Discount Rate The discount rate used to measure the total pension liability was 8.0%. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 4 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

<u>Employer's Net Pension Liability/(Asset)</u>	<u>1% Decrease 7.0%</u>	<u>Current Discount Rate 8.0%</u>	<u>1% Increase 9.0%</u>
Traditional Pension Plan	\$ 6,123,222	\$ 3,843,241	\$ 1,920,150
Combined Plan	\$ (195)	\$ (9,484)	\$ (16,956)

NOTE 5 – POST EMPLOYMENT BENEFITS

Plan Description – Ohio Public Employees Retirement System (OPERS)

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 two cost-sharing multiple-employer defined benefit post-employment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits in a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients 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 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available.

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.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy –The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of covered payroll. This is the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Retirement Board 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 contribution allocated to health care for members in both the Traditional and Combined Plans was 2.0 percent for 2016.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The District’s contributions allocated to fund post-employment health care benefits for the years ended June 30, 2016, 2015, and 2014, were \$53,853, \$53,418, and \$86,369, respectively, which were equal to the required contributions for each year.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>6/30/2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2016</u>
Nondepreciable Capital Assets:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Depreciable Capital Assets:				
Building (Capital Lease)	1,340,000	-	-	1,340,000
Office Equipment	267,322	13,700	-	281,022
Computer Equipment	100,368	-	-	100,368
Total Depreciable Capital Assets	<u>1,707,690</u>	<u>13,700</u>	<u>-</u>	<u>1,721,390</u>
Accumulated Depreciation:				
Building (Capital Lease)	(327,556)	(29,778)	-	(357,334)
Office Equipment	(255,162)	(5,300)	-	(260,462)
Computer Equipment	(59,604)	(14,488)	-	(74,092)
Total Accumulated Depreciation	<u>(642,322)</u>	<u>(49,566)</u>	<u>-</u>	<u>(691,888)</u>
Total Capital Assets, Net	<u>\$ 1,073,368</u>	<u>\$ (35,866)</u>	<u>\$ -</u>	<u>\$ 1,037,502</u>

NOTE 7 - CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

Subcontractors

For a majority of the expenditures in the Aging programs, the District contracts with local non-profit agencies and for-profit companies to perform the specific services set forth in the grant agreements. The District disburses grant funds to the entities based on monthly performance reports received from each entity. Some of the non-profit Aging subcontractors are required to have an annual independent audit. Under OMB CFR 200, the District requires each agency to submit a copy of the audit report. If such audits disclose expenditures not in accordance with the terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from the District or the delegate agency. The District generally has the right of recovery from the subcontractors.

For the year ended June 30, 2016, agency costs of various amounts were disbursed for which the audits have not been received. Based upon prior experience, management believes that the District will not incur significant losses from possible grant disallowances.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE 8 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during the fiscal year consisted of the following:

	Beginning Balance <u>6/30/2015</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>6/30/2016</u>	Amounts Due in <u>One Year</u>
Capital Leases Payable	\$ 1,198,236	\$ -	\$ (16,807)	\$ 1,181,429	\$ 16,826
Compensated Absences	142,471	234,431	(216,413)	160,489	-
Net Pension Liability	<u>2,323,264</u>	<u>1,519,977</u>	<u>-</u>	<u>3,843,241</u>	<u>-</u>
Total Long-Term Obligations	<u>\$ 3,663,971</u>	<u>\$ 1,754,408</u>	<u>\$ (233,220)</u>	<u>\$ 5,185,159</u>	<u>\$ 16,826</u>

BUCKEY HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Schedule of Proportionate Share of Net Pension Liability (Asset)
June 30, 2016

Ohio Public Employees Retirement System
 Last 2 Calendar Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Traditional Plan:</i>			
District's proportion of the net pension liability (asset) (percentage) - Traditional Plan	0.022188%	0.019262%	0.019262%
District's proportionate share of the net pension liability (asset) - Traditional Plan	\$ 3,843,241	\$ 2,323,264	\$ 2,270,789
District's covered-employee payroll	\$ 2,843,985	\$ 2,761,520	\$ 2,540,691
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.14%	84.13%	89.38%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	81.08%	81.08%	86.45%
<i>Combined Plan:</i>			
District's proportion of the net pension liability (asset) (percentage) - Combined Plan	0.019490%	0.012146%	0.012146%
District's proportionate share of the net pension liability (asset) - Combined Plan	\$ (9,484)	\$ (4,676)	\$ (1,274)
District's covered-employee payroll	\$ 2,843,985	\$ 70,931	\$ 44,398
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-0.33%	-6.59%	-2.87%
Plan fiduciary net position as a percentage of the total pension liability (Combined Plan)	116.90%	116.90%	114.83%

Information prior to fiscal year 2014 and subsequent to 2015 was not available as of the date of this report..

*The amounts presented for each fiscal year were determined as of the calendar year end that occurred within the fiscal year.

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
Schedule of Contributions
 June 30, 2016

Ohio Public Employees Retirement System
 Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<i>Traditional Plan:</i>										
Contractually required contribution	\$ 312,072	\$ 336,764	\$ 258,716	\$ 202,196	\$ 172,186	\$ 165,247	\$ 151,840	\$ 124,412	\$ 136,251	\$ 148,345
Contributions in relation to contractually required contribution	<u>(312,072)</u>	<u>(336,764)</u>	<u>(258,716)</u>	<u>(202,196)</u>	<u>(172,186)</u>	<u>(165,247)</u>	<u>(151,840)</u>	<u>(124,412)</u>	<u>(136,251)</u>	<u>(148,345)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,600,600	\$ 2,806,367	\$ 2,399,072	\$ 1,995,392	\$ 1,946,913	\$ 2,014,834	\$ 2,008,665	\$ 1,819,163	\$ 1,571,547	\$ 1,497,169
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	10.78%	10.13%	8.84%	8.20%	7.56%	6.84%	8.67%	9.91%
<i>Combined Plan:</i>										
Contractually required contribution	\$ 11,047	\$ 5,233	\$ 258,716	\$ 202,196	\$ 172,186	\$ 165,247	\$ 151,840	\$ 124,412	\$ 136,251	\$ 148,345
Contributions in relation to contractually required contribution	<u>(11,047)</u>	<u>(5,233)</u>	<u>(258,716)</u>	<u>(202,196)</u>	<u>(172,186)</u>	<u>(165,247)</u>	<u>(151,840)</u>	<u>(124,412)</u>	<u>(136,251)</u>	<u>(148,345)</u>
Contribution deficit (surplus)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 92,058	\$ 43,608	\$ 2,399,072	\$ 1,995,392	\$ 1,946,913	\$ 2,014,834	\$ 2,008,665	\$ 1,819,163	\$ 1,571,547	\$ 1,497,169
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	10.78%	10.13%	8.84%	8.20%	7.56%	6.84%	8.67%	9.91%

Calculated contribution rates above sometimes differ from published OPERS rates due to rate changes during the District's fiscal year (OPERS rates are effective based on a calendar year).

BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDITURES
DEPARTMENT OF AGRICULTURE			
Passed through the Ohio Department of Aging:			
Seniors Farmers Market Nutrition Program	10.576	2015	\$ 64,446
Seniors Farmers Market Nutrition Program	10.576	2016	6,451
Total Seniors Farmers Market Nutrition Program			<u>70,897</u>
Total Department of Agriculture			<u>70,897</u>
DEPARTMENT OF COMMERCE			
Direct from Economic Development Administration:			
Economic Development - Support for Planning Organizations	11.302	n/a	60,077
Economic Adjustment Assistance	11.307	n/a	120,086
Total U.S. Department of Commerce			<u>180,163</u>
DEPARTMENT OF TRANSPORTATION			
Passed through the Ohio Department of Transportation:			
Highway Planning and Construction	20.205	2016	96,069
APPALACHIAN REGIONAL COMMISSION			
Direct from Appalachian Regional Commission:			
Appalachian Research, Technical Assistance and Demonstration Projects	23.011	n/a	185,991
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Ohio Department of Aging:			
Special Programs for the Aging - Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2015	303,852
Special Programs for the Aging - Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	2016	215,753
Subtotal			<u>519,605</u>
Special Programs for the Aging - Title III, Part C_Nutrition Services	93.045	2015	488,643
Special Programs for the Aging - Title III, Part C_Nutrition Services	93.045	2016	255,973
Subtotal			<u>744,616</u>
Nutrition Services Incentive Program	93.053	2015	26,995
Nutrition Services Incentive Program	93.053	2016	49,113
Subtotal			<u>76,108</u>
Total Aging Cluster			1,340,329
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2015	3,984
Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	2016	5,450
Total Special Programs for the Aging_Title VII, Chapter 3_Programs for Prevention of Elder Abuse, Neglect, and Exploitation			<u>9,434</u>
Special Programs for the Aging_Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	93.042	2016	3,148
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2015	28,751
Special Programs for the Aging_Title III, Part D_Disease Prevention and Health Promotion Services	93.043	2016	12,450
			<u>41,201</u>
National Family Caregiver Support, Title III, Part E	93.052	2015	75,665
National Family Caregiver Support, Title III, Part E	93.052	2016	52,435
Total National Family Caregiver Support, Title III, Part E			<u>128,100</u>
Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	93.048	2015	134
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	2015	30,555
Low-Income Home Energy Assistance	93.568	2016	15,552
Lifespan Respite Care Program	93.072	2016	6,942
Medical Assistance Program	93.778	2016	9,840,359
Total Department of Health and Human Services			<u>11,415,754</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,948,874</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Buckeye Hills-Hocking Valley Regional Development District (the District's) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C – REVOLVING LOAN FUNDS

The District has established a revolving loan program to provide low-interest loans to businesses to create jobs in the region. The Appalachian Regional Commission (ARC) and Economic Development Administration (EDA) have granted money for these loans to the District. The initial loan of this money is recorded as a disbursement on the accompanying schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by the grantors. Such loans are included as expenditures on the schedule.

Collateral for these loans is determined on a case-by-case basis, but includes mortgages on real estate and liens on business equipment and inventory.

Activity in EDA revolving loan funds during 2016 is as follows:

Loans Outstanding	\$	14,794
Cash Balance		423,948
Capital Base		438,742
Allowable Administration:		
Expense		625
Total EDA Program	\$	438,117

NOTE D – MATCHING REQUIREMENTS

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



428 Second St.
Marietta, OH 45750
740.373.0056

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Vienna, WV 26105
304.422.2203

104 South Sugar St.
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740.695.1569

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

January 10, 2017

Members of the Board
Buckeye Hills-Hocking Valley Regional Development District
1400 Pike Street
Marietta, Ohio 45750

To the Board Members:

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, each major fund and the aggregate remaining fund information of the **Buckeye Hills-Hocking Valley Regional Development District**, (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report dated January 10, 2017.

Internal Control Over Financial Reporting

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



...“bringing more to the table”

Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
Litigation Support – Financial Investigations

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• Association of Certified Anti - Money Laundering Specialists •



Internal Control Over Financial Reporting (Continued)

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 District'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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

January 10, 2017

Members of the Board
Buckeye Hills-Hocking Valley Regional Development District
1400 Pike Street
Marietta, Ohio 45750

To the Board Members:

Report on Compliance for Each Major Federal Program

We have audited the **Buckeye Hills-Hocking Valley Regional Development District's**, (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the District's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of audit findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal programs 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and Uniform Guidance 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.



... "bringing more to the table"

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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Auditor's Responsibility (Continued)

An audit includes examining, on a test basis, evidence about the District'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 District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Programs

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

The District'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 District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal programs, 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 Uniform Guidance, 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 District'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 Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #93.778 Medical Assistance Program CFDA #93.044, #93.045, #93.053 Aging Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type AIB Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

Buckeye Hills-Hocking Valley Rural Development District
Details of Statement of Financial Position - Modified Accrual
Program Year Ending June 30, 2016

Assets	Home Energy Assistance Program	PASSPORT/ Assisted Living	MIPPA	Lifespan Respite Initiative	United Prevention- Evidence Based	United Prevention- Care Transitions	Alzheimer's Respite Site	Alzheimer's Respite Care	Senior Volunteers	Ombudsman Support	Total 2016
Current Assets											
Cash and Cash Equivalents	\$ -	\$ 137,707	\$ 5,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,312	\$ 1,395	\$ 149,595
Account/grants Receivable	3,529	1,133,862	5,315	-	-	-	-	-	3,139	798	1,146,643
Due from interfund	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	3,529	1,271,569	10,496	-	-	-	-	-	8,451	2,193	1,296,238
	\$ 3,529	\$ 1,271,569	\$ 10,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,451	\$ 2,193	\$ 1,296,238
Liabilities and Net Assets											
Current Liabilities											
Current maturities of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to interfund	-	-	-	-	-	-	-	-	-	-	-
Accounts/grants payable	885	1,271,569	-	-	-	-	-	-	8,451	1,258	1,282,163
Contractual Advances	2,644	-	10,496	-	-	-	-	-	-	935	14,075
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	3,529	1,271,569	10,496	-	-	-	-	-	8,451	2,193	1,296,238
Total Liabilities	3,529	1,271,569	10,496	-	-	-	-	-	8,451	2,193	1,296,238
	\$ 3,529	\$ 1,271,569	\$ 10,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,451	\$ 2,193	\$ 1,296,238

Buckeye Hills-Hocking Valley Rural Development District
Details of Statement of Financial Position - Modified Accrual
 Program Year Ending December 31, 2015

Assets	Title III-A	Title III-B	Title III-C1	Title III-C2	Title III-D	Title III-E - Caregiver Services	Title III-E - Caregiver Administration	Title VII - Elder Abuse Prevention	Title VII - Ombudsman	N SIP	Senior Farmer's Market Nutrition Program	Senior Community Service - Social Services	Senior Community Service - Administration	State Long Term Ombudsman	Bed Fee	Total 2016
Current Assets																
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 11,206	\$ 5,845	\$ -	\$ 9,370	\$ -	\$ -	\$ 10,705	\$ -	\$ -	\$ -	\$ -	\$ 3,566	\$ -
Account/grants Receivable	71,446	34,301	3,735	-	-	1,222	-	847	-	-	4,183	74,825	20,000	7,286	-	-
Due from interfund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	71,446	34,301	3,735	11,206	5,845	1,222	9,370	847	-	10,705	4,183	74,825	20,000	7,286	3,566	-
	\$ 71,446	\$ 34,301	\$ 3,735	\$ 11,206	\$ 5,845	\$ 1,222	\$ 9,370	\$ 847	\$ -	\$ 10,705	\$ 4,183	\$ 74,825	\$ 20,000	\$ 7,286	\$ 3,566	\$ -
Liabilities and Net Assets																
Current Liabilities																
Current maturities of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to interfund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts/grants payable	71,446	34,301	3,735	-	-	1,222	-	847	-	-	4,183	74,825	20,000	7,286	-	-
Contractual Advances	-	-	-	11,206	5,845	-	9,370	-	-	10,705	-	-	-	-	3,566	-
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	71,446	34,301	3,735	11,206	5,845	1,222	9,370	847	-	10,705	4,183	74,825	20,000	7,286	3,566	-
Total Liabilities	71,446	34,301	3,735	11,206	5,845	1,222	9,370	847	-	10,705	4,183	74,825	20,000	7,286	3,566	-
	\$ 71,446	\$ 34,301	\$ 3,735	\$ 11,206	\$ 5,845	\$ 1,222	\$ 9,370	\$ 847	\$ -	\$ 10,705	\$ 4,183	\$ 74,825	\$ 20,000	\$ 7,286	\$ 3,566	\$ -

Buckeye Hills-Hocking Valley Rural Development District
Details of Statements of Activities by Program - Modified Accrual
 Program Year Ending June 30, 2016

	34715	36300												
	Home Energy Assistance Program	PASSPORT/ Assisted Living	MIPPA	Lifespan Respite Initiative	Unified Prevention-Evidence Based	Unified Prevention-Care Transitions	Alzheimer's Respite Site	Alzheimer's Respite Care	Senior Volunteers	Ombudsman Support				Total 2016
Revenue														
Federal	\$ 15,552	\$ 9,837,180	\$ 30,555	\$ 6,942	\$ -	\$ 134	\$ 29,265	\$ 28,622	\$ 32,341	\$ 7,990	\$ -	\$ -	\$ -	\$ 9,988,581
State	-	6,513,816	-	-	-	-	-	-	-	-	-	-	-	6,513,816
	15,552	16,350,996	30,555	6,942	-	134	29,265	28,622	32,341	7,990	-	-	-	16,502,397
Client co-pays	-	211,373	-	-	-	-	-	-	-	-	-	-	-	211,373
Interest	-	362	-	-	-	-	-	-	-	1	-	-	-	363
	-	211,735	-	-	-	-	-	-	-	1	-	-	-	211,736
Total Revenue	15,552	16,562,731	30,555	6,942	-	134	29,265	28,622	32,341	7,991	-	-	-	16,714,133
Expenses														
Salaries	1,516	1,409,411	2,884	-	-	-	-	-	-	1,142	-	-	-	1,414,953
Benefits	399	582,380	939	-	-	-	-	-	-	347	-	-	-	584,065
Professional services	5,995	32,161	16,270	-	-	-	-	-	-	-	-	-	-	54,426
Equipment/supplies	-	83,577	3,740	-	-	134	-	-	-	-	-	-	-	87,451
Travel and training	510	141,851	775	-	-	-	-	-	-	64	-	-	-	143,200
Other	7,132	14,313,351	5,947	6,942	-	-	29,265	28,622	32,341	6,438	-	-	-	14,430,038
Total Expenses	15,552	16,562,731	30,555	6,942	-	134	29,265	28,622	32,341	7,991	-	-	-	16,714,133
Increase (Decrease) in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Buckeye Hills-Hocking Valley Rural Development District
Details of Statements of Activities by Program - Modified Accrual
 Program Year Ending December 31, 2015

Revenue	Title III-A	Title III-B	Title III-C1	Title III-C2	Title III-D	Title III-E - Caregiver Services	Title III-E - Caregiver Administration	Title VII - Elder Abuse Prevention	Title VII - Ombudsman	NSIP	Senior Farmer's Market Nutrition Program	Senior Community Service - Social Services	Senior Community Service - Administration	State Long Term Ombudsman	Bed Fee	Total 2016
Federal	\$ 290,683	\$ 499,140	\$ 189,710	\$ 262,682	\$ 30,353	\$ 16,419	\$ 93,566	\$ 5,984	\$ 3,707	\$ 63,369	\$ 75,881	\$ -	\$ -	\$ -	\$ -	\$ 1,531,494
State	-	-	-	-	-	-	-	-	-	-	-	235,249	66,247	29,143	17,240	347,879
Local	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>290,683</u>	<u>499,140</u>	<u>189,710</u>	<u>262,682</u>	<u>30,353</u>	<u>16,419</u>	<u>93,566</u>	<u>5,984</u>	<u>3,707</u>	<u>63,369</u>	<u>75,881</u>	<u>235,249</u>	<u>66,247</u>	<u>29,143</u>	<u>17,240</u>	<u>1,879,373</u>
Total Revenue	<u>290,683</u>	<u>499,140</u>	<u>189,710</u>	<u>262,682</u>	<u>30,353</u>	<u>16,419</u>	<u>93,566</u>	<u>5,984</u>	<u>3,707</u>	<u>63,369</u>	<u>75,881</u>	<u>235,249</u>	<u>66,247</u>	<u>29,143</u>	<u>17,240</u>	<u>1,879,373</u>
Expenses																
Other	<u>290,683</u>	<u>499,140</u>	<u>189,710</u>	<u>262,682</u>	<u>30,353</u>	<u>16,419</u>	<u>93,566</u>	<u>5,984</u>	<u>3,707</u>	<u>63,369</u>	<u>75,881</u>	<u>235,249</u>	<u>66,247</u>	<u>29,143</u>	<u>17,240</u>	<u>1,879,373</u>
Total Expenses	<u>290,683</u>	<u>499,140</u>	<u>189,710</u>	<u>262,682</u>	<u>30,353</u>	<u>16,419</u>	<u>93,566</u>	<u>5,984</u>	<u>3,707</u>	<u>63,369</u>	<u>75,881</u>	<u>235,249</u>	<u>66,247</u>	<u>29,143</u>	<u>17,240</u>	<u>1,879,373</u>
Increase (Decrease) in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Buckeye Hills Hocking Valley Regional Development District
Schedule of the Ohio Department of Aging Funded Awards
Summary of Unearned Cash and Undrawn Cash Balance
For the Program Periods Indicated Below**

A	B	C	D	E	F	G	H	I	J	K	L
Grant/Program	CFDA #	Program Period	Beginning Carryover	New Grant Awarded	Grant Expenses	Undrawn Grant Balance	Unearned Cash Balance	Approved Waiver Amount	Total Carryover	FFY 15 Carryover Limit	Cash to be Returned to ODA After Audit
Alzheimer's Respite	N/A	7/1/15-6/30/16	0	57,887	57,887	0	0	0	0	0	0
Bed Fee	N/A	1/1/15-12/31/15	0	15,197	15,197	0	0	0	0	0	0
HEAP-Home Energy Assistance Program	93.568	9/1/15-8/31/16	0	20,929	3,054	17,875	0	0	0	0	0
MIPPA-Medicare Improvements for Patients and F	93.071	9/30/14-9/29/16	0	48,232	38,339	9,893	0	0	0	0	0
National Senior Service Corp (Senior Volunteers)	N/A	7/1/15-6/30/16	0	32,341	32,341	0	0	0	0	0	0
NSIP-Nutrition Services Incentive Program	93.053	10/1/14-9/30/15	1,236	68,193	58,605	0	10,824	0	0	0	0
Ombudsman Support	N/A	10/1/14-9/30/15	0	6,650	4,086	0	2,564	0	0	0	0
SFMNP-Senior Farmers' Market Nutrition Program	10.576	3/1/15-11/30/15	0	76,409	71,698	0	4,711	0	0	0	0
Long-term Care Ombudsman	N/A	1/1/15-12/31/15	0	29,143	29,143	0	0	0	0	0	0
Senior Community Services Administration	N/A	1/1/15-12/31/15	0	66,247	66,247	0	0	0	0	0	0
Senior Community Services	N/A	1/1/15-12/31/15	0	230,424	230,424	0	0	0	0	0	0
Title III A - Administration	93.045	1/1/15-12/31/15	18,085	209,065	225,855	0	1,295	0	1,295	22,113	0
Title III B - Supportive Services	93.045	1/1/15-12/31/15	42,333	442,386	482,589	0	2,131	0	2,131	49,370	0
Title III C-1 - Congregate Meals	93.045	1/1/15-12/31/15	25,281	189,190	188,955	3,947	21,569	0	21,569	21,569	0
Title III C-2 - Home Delivered	93.045	1/1/15-12/31/15	26,053	276,587	276,542	26,053	45	0	26,098	30,397	0
Title III D - Preventive Health	93.043	1/1/15-12/31/15	2,788	28,582	31,370	0	0	0	0	2,858	0
Title III E - Administration	93.052	1/1/15-12/31/15	1,044	12,414	12,495	0	690	0	690	1,214	0
Title III E - Service	93.052	1/1/15-12/31/15	0	109,265	101,959	0	7,306	0	7,306	10,927	0
Title VII Elder Abuse	93.041	1/1/15-12/31/15	534	5,450	5,984	0	0	0	0	545	0
Title VII Ombudsman	93.042	1/1/15-12/31/15	313	3,394	3,707	0	0	0	0	339	0
Column Totals			117,667	1,927,985	1,936,477	57,768	51,135	0	59,089	139,332	0

Column Descriptions and Requirements:

- Column A: All ODA funded programs are to be listed, including any program not listed.
- Column B: CFDA numbers associated with Federal awards are to be listed.
- Column C: Program period reflects the grant awards which ended within the Agency's fiscal year. Example: Agency year end: 12/31/15, Program year end: 6/30/15. The program ending in 6/30/15 should be included in its entirety as a part of this schedule. Grant awards as shown are for year ending 12/31/15.
- Column D: Beginning carryover represents the carryover in its entirety beginning a program year. Example: Title III 2014 carryover should be reported in this column for the 2015 program year.
- Column E: Total grant awarded for programs ending in the Agency's fiscal year. Example: Agency year end: 12/31/15, program year end 6/30/15. Total award for 7/1/14 to 6/30/15 should be reported here.
- Column F: Total grant expenditures for programs ending in the Agency's fiscal year. Example: Agency year end: 12/31/15, program year end 6/30/15. Total expenditures for 7/1/14 to 6/30/15 should be reported here.
- Column G: Undrawn grant balance represents the end of the program year grant dollars which have not been requested from ODA.
- Column H: Unearned cash balance represents the end of the program year grant dollars requested by the Agency but not yet expended for the program.
- Column I: Any approved waiver amounts related to programs ending in the Agency's fiscal year.
- Column J: Total Carryover is usually related to the Title III and Title VII awards, in which the Agency is permitted a 10% "carryover" of funding to spent in the next program year. These funds are dollars not yet expended as undrawn grant balance or unearned cash that can be spent in the next program year.
- Column K: Carryover is usually related to the Title III and Title VII awards, and a cap to the amount of funds that can be spent in the following program year is established by ODA at the beginning of the award period.
- Column L: Cash to be returned to ODA at the end of the audit represents dollars in program which were not expended during the program year, and are in possession of the Agency, and are expired due to the end of the award period, and are to be returned to ODA.

A	B	C	D	E	F	G	H	I	J
Grant/Program	CFDA #	Program Period	Ending Receivable	Revenue			Expenses		Ending Cash Balance
				ODA Funds	Client Liability	Interest	Services	Administration	
ODA Administered Waiver Programs	93.778	7/1/15 - 6/30/16	41503	16350996	211368	362	13369971	3,192,755	0

Column Descriptions and Requirements:

- Column A: All ODA funded programs relating to Medicaid awards.
- Column B: CFDA numbers associated with Federal Awards are to be listed.
- Column C: Program period reflects the grant awards which ended within the Agency's fiscal year.
- Column D: Client liability receivable due at end of the program period.
- Columns E-G: Revenues received during the program period, by category, as listed above.
- Columns H-I: Expenses made during the program period, by category, as listed above.
- Column J: Ending cash balance at program period end.

Buckeye Hills Hocking Valley Regional Development District
Allocation of Interest Earned
For Fiscal Year Ending June 30, 2016

Program Description	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual Total
<i>Federally Funded Programs</i>					
ODA Administered Waiver Programs	136.29	80.19	97.61	47.48	361.57
Home Energy Assistance Program (HEAP)	0	0	0	0.4	0.4
Nutrition Services Incentive Program (NSIP)	1.93	1.92	0.88	2.64	7.37
ODSMP-Ohio Diabetes Self-Management Project	0	0	0	0	0
Ohio Health Transformation-Ombudsman Veterans Initiative	0	0	0	0	0
Senior Farmers' Market Nutrition Program (SFMNP)	0.46	0.02	0	3.83	4.31
Unified Prevention-Part A (Community Health Partnership)	0	0	0	0	0
Unified Prevention-Part A (Evidenced Based)	0	0	0	0	0
Unified Prevention-Part A (Matter of Balance Expansion)	0	0	0	0	0
Unified Prevention-Part A (Rural Health Strategies)	0	0	0	0	0
Title III A - Administration	0	0	1.27	12.03	13.3
Title III B - Supportive Services	7.71	5.54	3.84	8.89	25.98
Title III C-1 - Congregate Meals	5.51	4.73	5.98	8.99	25.21
Title III C-2 - Home Delivered	6.53	7.17	3.52	11.33	28.55
Title III D - Preventive Health	0	0.86	0.54	1.24	2.64
Title III E - Administration	0.18	0.35	0.21	0.62	1.36
Title III E - Service	1.67	2.3	1.7	4.31	9.98
Title VII Elder Abuse	0	0	0.5	0.04	0.54
Title VII Ombudsman	0	0.06	1.91	0.36	2.33
					0
<i>State Funded Programs</i>					
Alzheimers' Respite	1.57	3.25	1.18	0.26	6.26
Bed Fee	0	0	0.23	1.4	1.63
Long-term Care Ombudsman	0.49	0	0.44	0	0.93
National Senior Service Corp	3.03	1.76	1.21	0.38	6.38
Ombudsman Support	0.7	0.21	0.24	0.32	1.47
Resident Services Coordinator Program	0	0	0	0	0
Senior Community Services	6.11	1.08	7.76	9.81	24.76
Senior Community Services Administration	0	0	1.86	0.32	2.18
					0
<i>Other</i>	41.63	32.07	22.83	51.81	148.34
					0
					0
					0
Total Interest Earned	213.81	141.51	153.71	166.46	675.49
<u>Note: Any programs not listed related to Federal, State, local, or non-ODA funds should be included.</u>					

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Dave Yost • Auditor of State

BUCKEYE HILLS- HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

WASHINGTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 6, 2017**