

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
TOGETHER WITH AUDITOR'S REPORT
AS OF JUNE 30, 2013**



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Brook-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, prepared by Zeno, Pockl, Lilly and Copeland, A.C., for the audit period July 1, 2012 through June 30, 2013. 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 Brook-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

March 21, 2014

This page intentionally left blank.

**Brooke-Hancock-Jefferson
Metropolitan Planning Commission
JUNE 30, 2013**

	<u>Page Number</u>
Independent Auditor's Report	4 - 6
Management Discussion and Analysis	7 - 9
Budget Comparison	10
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet – General Fund	13
Reconciliation of General Fund Balance to Net Position of Government-Wide Agency	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund to the Statement of Activities	16
Notes to the Financial Statements	17 - 27
Schedule of Expenditures of Federal Awards	28 - 29
Note to Schedule of Expenditures of Federal Awards	30
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31 - 32
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program And On Internal Control Over Compliance in Accordance with OMB Circular A-133	33 - 34
Schedule of Findings and Questioned Costs	35
Status of Prior Audit Findings	36

**Page
Number**

SUPPLEMENTAL INFORMATION:

Audited Rates	37
Indirect and Fringe Comparison	38
Schedule of Agency Management Expenditures – Indirect Costs	39
Schedule of Fringe Benefits	40
Schedule of Contract Revenues and Expenditures	41 - 42
Note to Schedule of Contract Revenues and Expenditures	43



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
Steubenville, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission (the "Commission"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with 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, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Brooke-Hancock-Jefferson Metropolitan Planning Commission's basic financial statements. The following supplemental information: Audited Rates, Indirect and Fringe Comparison, Schedule of Agency Management Expenditures – Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures, and Note to the Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and not a part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The following supplemental information: Audited Rates, Indirect and Fringe Comparison, Schedule of Agency Management Expenditures – Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures, and Note to the Schedule of Contract Revenues and Expenditures and the Schedule of Expenditures of Federal Awards, are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Zeno, Pochl, Lilly and Gubler, A.C.

Steubenville, Ohio
December 30, 2013

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

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

The following Management's Discussion and Analysis (MD&A) provides an overview of the Brooke-Hancock-Jefferson Metropolitan Planning Commission's (the "Commission") financial performance and provides an introduction to the financial statements for the year ended June 30, 2013. This audit is a one-year snap shot of the Commission's financial health. Through a multiple year comparison, this MD&A provides a complementary and fuller financial picture.

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

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

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

Performance

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

The Commission was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. Approximately 88 percent of the Commission's revenues are generated through federal and state grants. In 2013, 44 percent of funds were allocated to transportation, 29 percent to community development, 16 percent to environmental protection, and 13 percent to economic development.

Fundamental Principles of the Financial Statement

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

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Fundamental Principles of the Financial Statement (Continued)

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

Financial Highlights FY 12 to FY 13 Comparisons

- In 2013, total net position (i.e., total assets minus total liabilities) decreased 13 percent from 2012.
- Over the last 5 years, the audit year 2013 ranked as the second largest accumulated Net Position year. The lowest Net Position year was 2009.
- Revenue in 2013 increased \$8,422 over the previous year. The change was largely due to an \$86,000 increase in the regional Brownfield Program and an \$87,000 increase in transportation programs.
- Expenses in 2013, driven by the above revenue generation, increased 11 percent.
- When compared to 2012, Indirect Costs in 2013 increased 9 percent, while fringe costs increased 7 percent. The largest indirect category, that is "personnel cost", increased 5 percent.
- A major accounting change for 2008 was the incorporation of "agency management" expenditures, or overhead administrative costs into the Commission's general programs. This change was suggested by the Ohio Department of Transportation Auditor to better illustrate program impact.

Long-Term Debt

There was no long-term debt at June 30, 2013. Under the Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

Contacting the Commission

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

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)
YEAR ENDED JUNE 30, 2013

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
TOTAL NET POSITION	\$ 94,310	\$ 107,798	\$ 105,392	\$ 170,589	\$ 148,736
Assets					
Cash and cash equivalents	\$ 45,089	\$ 84,037	\$ 72,477	\$ 29,912	\$ 47,824
Accounts receivable	18,270	19,312	19,312	21,351	18,895
Grants receivable	88,427	139,715	107,165	161,209	110,755
Property, plant and equipment	29,490	27,738	16,810	15,005	21,573
Prepays	-	-	8,391	9,806	14,645
Total assets	\$ 181,276	\$ 270,802	\$ 224,155	\$ 237,283	\$ 213,692
Liabilities					
Accounts payable	\$ 17,530	\$ 50,439	\$ 45,514	\$ 32,665	\$ 37,990
Lease payable	13,698	10,978	8,084	5,003	1,719
Accrued/withheld benefits	15,455	26,554	8,239	2,444	10,410
Accrued payroll	14,526	17,996	5,285	6,215	4,309
Accrued/withheld taxes	6,609	8,670	913	3,083	4,728
Due to grantors	14,022	14,022	15,621	1,754	-
Deferred revenue	5,126	34,345	35,107	15,530	5,800
Total liabilities	\$ 86,966	\$ 163,004	\$ 118,763	\$ 66,694	\$ 64,956
Revenue					
Federal grants/projects	\$ 406,781	\$ 485,093	\$ 644,725	\$ 742,162	\$ 840,046
State/local assistance	119,100	176,063	165,110	218,185	99,012
Per capita dues	104,121	105,847	106,612	104,734	103,975
Other	20,686	3,320	88	-	30,471
Total revenues	\$ 650,688	\$ 770,323	\$ 916,535	\$ 1,065,081	\$ 1,073,504
Expenditures					
Transportation planning	\$ 406,335	\$ 450,707	\$ 503,951	\$ 440,445	\$ 451,543
Economic Development	65,696	107,498	90,724	197,009	134,057
Transit studies and capital planning	58,645	53,388	46,335	54,774	35,553
Community development	105,336	98,694	94,215	130,798	316,850
Environmental protection	41,634	46,548	183,716	176,858	167,206
Total expenditures	\$ 677,646	\$ 756,835	\$ 918,941	\$ 999,884	\$ 1,105,209

Source: BHJ Annual Audits

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
FOR THE YEAR ENDING JUNE 30, 2013**

	Budget FY 2013	Actual FY 2013	Difference (Over) Under Budget
WAGES PAID FOR TIME WORKED			
Direct labor	\$ 195,180	\$ 188,831	\$ 6,349
Indirect labor	100,028	98,699	1,329
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	\$ 295,208	\$ 287,530	\$ 7,678
FRINGE BENEFITS			
Wages:			
Holiday	\$ 16,114	\$ 17,921	\$ (1,807)
Sick leave	5,354	11,559	(6,205)
Vacation	22,182	20,634	1,548
Other leave	-	1,838	(1,838)
Total fringe benefits-wages	<u>43,650</u>	<u>51,952</u>	<u>(8,302)</u>
Other fringe benefits:			
PERS	52,861	54,864	(2,003)
Hospitalization	106,452	101,312	5,140
Medicare	4,523	4,783	(260)
Workers' Compensation	1,715	504	1,211
Employment services	520	220	300
Total other fringe benefits	<u>166,071</u>	<u>161,683</u>	<u>4,388</u>
TOTAL FRINGE BENEFITS	\$ 209,721	\$ 213,635	\$ (3,914)
INDIRECT COSTS			
Salaries - indirect only	\$ 100,028	\$ 98,699	\$ 1,329
Fringe benefits for indirect salaries	71,062	73,334	(2,272)
Advertising	1,000	1,178	(178)
Finance consulting/audit	15,500	13,906	1,594
Depreciation	9,200	5,500	3,700
Equipment expense	1,000	-	1,000
Insurance/bonds	3,000	2,165	835
Memberships and subscriptions	1,700	-	1,700
Miscellaneous	1,500	2,593	(1,093)
Photocopy and printing	200	-	200
Postage	4,000	4,286	(286)
Publications and printing	300	2,301	(2,001)
Rent	33,000	33,000	-
Software/technical support	1,100	-	1,100
Supplies	7,000	6,076	924
Telephone	4,000	4,260	(260)
Travel	1,000	385	615
TOTAL INDIRECT COSTS	\$ 254,590	\$ 247,683	\$ 6,907

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2013**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 47,824
Accounts receivable	18,895
Grants receivable	110,755
Prepays	<u>14,645</u>
Total current assets	192,119

CAPITAL ASSETS

Property, plant, and equipment, net of accumulated depreciation	<u>21,573</u>
--	---------------

TOTAL ASSETS

\$ 213,692

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 37,990
Accrued payroll	4,309
Accrued and withheld payroll taxes	4,728
Accrued and withheld employee benefits	10,410
Deferred revenue	5,800
Capital lease obligation – current	<u>1,719</u>

TOTAL LIABILITIES

64,956

NET POSITION

Investments in capital assets, net of related debt	19,854
Unrestricted	<u>128,882</u>

TOTAL NET POSITION

\$ 148,736

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

<u>FUNCTIONS/PROGRAMS</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Government- Wide Activities</u>
PRIMARY GOVERNMENT-WIDE				
Transportation planning	\$ 296,722	\$ 147,388	\$ 399,067	\$ (45,043)
Transit studies and capital planning	20,471	14,941	35,157	(255)
Community development projects	277,944	37,828	265,938	(49,834)
Environmental protection projects	144,707	21,833	133,114	(33,426)
Economic development projects	108,292	25,231	99,773	(33,750)
Total Primary Government-Wide	<u>\$ 848,136</u>	<u>\$ 247,221</u>	<u>\$ 933,049</u>	<u>(162,308)</u>
GENERAL GOVERNMENT-WIDE REVENUES				
Per capita revenues				103,975
West Virginia Development Office				36,480
Total General Government-Wide Revenues				<u>140,455</u>
CHANGES IN NET POSITION				(21,853)
NET POSITION, BEGINNING OF YEAR				<u>170,589</u>
NET POSITION, END OF YEAR				<u>\$ 148,736</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2013**

**General
Fund**

CURRENT ASSETS

ASSETS

Cash and cash equivalents	\$ 47,824
Accounts receivable	18,895
Grants receivable	110,755
Prepays	14,645
	<hr style="width: 100%;"/>

TOTAL CURRENT ASSETS

\$ 192,119

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 37,990
Accrued and withheld employee benefits	10,410
Accrued payroll	4,309
Accrued and withheld payroll taxes	4,728
Deferred revenue	5,800
Total liabilities	<hr style="width: 100%;"/> 63,237

FUND BALANCE

Fund balance – unrestricted	<hr style="width: 100%;"/> 128,882
-----------------------------	------------------------------------

TOTAL LIABILITIES AND FUND BALANCE

\$ 192,119

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
JUNE 30, 2013**

General Fund Balance	\$ 128,882
Amounts reported for government-wide activities in the statement of net position are different because:	
Capital assets of \$120,984 net of accumulated depreciation of \$99,410 are not financial resources and, therefore, are not reported in the fund.	21,573
Short-term liabilities are not due and payable and are reported in the fund.	<u>(1,719)</u>
Net Position of Government-Wide Activities	<u>\$ 148,736</u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>General Fund</u>
REVENUES	
Federal grants and projects	\$ 840,046
State financial assistance	99,012
Per capita dues	103,975
Local assistance	30,471
Total revenues	<u>1,073,504</u>
 EXPENDITURES	
Transportation planning	451,543
Transit studies and capital planning	35,553
Community development projects	316,850
Environmental protection projects	167,206
Economic development projects	134,057
Total expenditures	<u>1,105,209</u>
 NET CHANGES IN FUND BALANCE	 (31,705)
 GENERAL FUND BALANCE, BEGINNING	 <u>160,587</u>
 GENERAL FUND BALANCE, ENDING	 <u><u>\$ 128,882</u></u>

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2013**

Net Change in Fund Balance - General Fund \$ (31,705)

Amounts reported for Government-Wide Activities in the statement of activities are different because:

General agency funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-Wide Activities.

This is the amount by which capital outlays of \$14,645 exceeded depreciation of \$8,077 in the current period.

6,568

General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.

3,284

Change in Net Position of Government-Wide Activities

\$ (21,853)

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Government-Wide and Governmental Agency 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 government.

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

General Fund

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

Net Position - Net position represents the difference between assets and liabilities. Investments in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Restricted net position would consist of monies and other resources, which are restricted to satisfy debt service requirements as specified in debt agreements.

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2013:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
PNC Bank	\$ 99,291	\$ 47,724
Petty cash	<u>-</u>	<u>100</u>
Total cash deposits and cash on hand	<u>\$ 99,291</u>	<u>\$ 47,824</u>

The Commission's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2013, the Commission's balances were not in excess of the FDIC prescribed insured limits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2013, is as follows:

Government-Wide Activities:

Equipment:	
Balance, July 1, 2012	\$ 106,338
Additions	<u>14,645</u>
Balance, June 30, 2013	<u>120,983</u>
Accumulated Depreciation:	
Prior Years	(91,333)
Current Year	<u>(8,077)</u>
Balance, June 30, 2013	<u>(99,410)</u>
Net Capital Assets, June 30, 2013	<u>\$ 21,573</u>

Direct and In-direct depreciation expense for the period ending June 30, 2013, included in the Government-Wide expenditures consists of the following:

Transportation planning	\$ 5,181
Transit studies and capital planning	147
Community development projects	1,499
Environmental protection projects	694
Economic development projects	<u>556</u>
Total	<u>\$ 8,077</u>

NOTE 4 - DEFERRED REVENUE

Deferred revenue represents monies advanced to the Commission from local governments:

Local per-capita revenues	<u>\$ 5,800</u>
Total deferred revenue	<u>\$ 5,800</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 5 - GRANTS RECEIVABLE

Grants receivable of \$110,755 is comprised of amounts due from the following governmental entities at June 30, 2013:

WV Department of Transportation – FHWA (Federal)	\$ 19,329
WV Department of Transportation – FHWA (State)	2,417
WV Department of Transportation – FTA Section 8 (Federal)	1,529
WV Department of Transportation – FTA Section 8 (State)	191
Ohio Department of Transportation – FHWA (Federal)	37,597
Ohio Department of Transportation – FHWA (State)	4,698
Ohio Department of Transportation – FTA Section 8 (Federal)	1,689
Ohio Department of Transportation – FTA Section 8 (State)	212
Ohio Rideshare	16,554
Weirton Transit Administration	<u>807</u>
Total transportation	<u>85,023</u>
Wellsburg Water	2,528
EPA Brooke County - Mahan Lane	10,579
EPA Petroleum	4,561
EPA Hazardous	4,107
Weirton Sewer	635
Weirton Water	417
Oakland PSD	<u>2,905</u>
Total other	<u>25,732</u>
Total grants receivable	<u>\$ 110,755</u>

NOTE 6 - CAPITAL LEASE OBLIGATIONS

Capital lease obligations at June 30, 2013, of \$1,719 consist of the following:

Dollar Leasing Corporation (Copier) \$14,995.00	
6.28% interest rate, 60 monthly payments beginning	
January 31, 2009, for \$291.80, maturing in 2014	<u>\$ 1,719</u>

The Commission paid interest expense of \$217 on the capital lease obligation for fiscal year ending June 30, 2013.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 7 - LINE OF CREDIT

The Commission entered into a \$10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2013. There were no draws or payments associated with this loan during the fiscal year, except for \$150 annual renewal fee. No balance was outstanding at fiscal year end.

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

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 in which the member invests both member and employer contributions (employer contributions vest over 5 years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor, and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Plan.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 8 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy – The Commission and covered employees contribute at actuarially determined rates for 2012, 14 percent and 10 percent, respectively, of covered employee payroll to OPERS. Internal Revenue Service law makes it possible for an employer to pay "pickup" employee contributions for members of PERS. In January 2005, the Commission opted to contribute 15.85 percent with Plan members contributing 8.15 percent of covered payroll for employees hired prior to December 31, 2005. Beginning January 1, 2006, the policy states that the Commission and any new hires will contribute based on percentages determined by OPERS. The Commission's contributions to OPERS for the years ended June 30, 2013, 2012, and 2011 were \$41,427, \$34,199, and \$39,905, respectively. Required contributions are equal to 100 percent of the dollar amount billed for 2013, 2012, and 2011.

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This accounting standard replaces GASB Statement No. 27, and it is effective for employer fiscal years beginning after June 15, 2014.

NOTE 9 – POST EMPLOYMENT BENEFITS

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

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 plan that has elements of both a defined benefit and defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 9 – POST EMPLOYMENT BENEFITS (CONTINUED)

OPERS issues a stand-alone financial report. Interested parties may obtain a copy 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 coverage through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care coverage.

Employer contribution rates are expressed as percentages of the covered payroll of active members. For 2012, state and local employers contributed a rate of 14.00 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post-Employment Health Care Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4.0 percent during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent during calendar year 2012. Effective January 1, 2013, the portion of the employer contributions allocated to healthcare was lowered 1 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Commission's contributions allocated to fund post-employment health care benefits for the years ended June 30, 2013, 2012, and 2011 were \$13,437, \$11,817, and \$13,760. One hundred percent was contributed for 2013, 2012, and 2011.

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 10 - RISK MANAGEMENT

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

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

NOTE 11 – ECONOMIC DEPENDENCY

Approximately 41 percent of The Commission's revenue is from the Federal and State Departments of Transportation and Planning Grants.

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE

The Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB Statement No. 60's objective is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The implementation of GASB Statement No. 60 had no effect on beginning net position.

GASB Statement No. 62's objective is to incorporate within the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the FASB pronouncements, Accounting Principles Board Opinions, and AICPA Accounting Research Bulletins issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The implementation of GASB Statement No. 62 had no effect on beginning net position.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2013**

NOTE 12 – CHANGE IN ACCOUNTING PRINCIPLE (CONTINUED)

GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the Commission's 2013 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. This change was incorporated in the Commission's 2013 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This change was incorporated in the Commission's 2013 financial statements; however, there was no effect on beginning net position.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Agency or CFDA Number	Direct or Pass-through Number	Expenditures
U. S. DEPARTMENT OF COMMERCE			
Economic Development - Technical Assistance	11.303		
Pass-through from the WV EDA Region XI:			
West Virginia Economic Development		01-83-08921	62,000
Total CFDA #11.303			<u>62,000</u>
TOTAL U. S. DEPARTMENT OF COMMERCE			<u>62,000</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Community Development Block Grants/State's Program	14.228		
Pass-through from WV Development Office/ Brooke County Commission:			
Mahan/Eldersville Sewer Phase II		B-07-DC-54-0001	3,636
Total CFDA #14.228			<u>3,636</u>
TOTAL U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>3,636</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction	20.205		
Pass-through from Ohio Department of Transportation:			
Highway Planning & Construction		DOTC 134572	\$ 169,078
Transit Technical Studies – FTA Section 8		DOTC 134572	15,848
Rideshare Green – CMAQ – 2013		DOTC 519774	66,750
Pass-through from West Virginia Department of Transportation:			
Highway Planning & Construction		OL 603	115,223
Transit Technical Studies – FTA Section 8		OL 603	14,086
Pass-through from Steel Valley Regional Transit Authority:			
Transit Service Option Plan		DOT 15404	1,035
Pass-through from City of Weirton:			
Weirton Transit Administration		WV-90-X162-00	6,323
Total CFDA #20.205			<u>388,343</u>
TOTAL U. S. DEPARTMENT OF TRANSPORTATION			<u>388,343</u>
APPALACHIAN REGIONAL COMMISSION			
Appalachian Local Development District Assistance	23.009		
Pass-through from WV Region XI:			
ARC Administrative – 2012		WV-2436-C38	22,032
ARC Administrative – 2013		WV-2436-C38	26,298
Total CFDA #23.009			<u>48,330</u>
TOTAL APPALACHIAN REGIONAL COMMISSION			<u>48,330</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Agency or CFDA Number</u>	<u>Direct or Pass-through Number</u>	<u>Expenditures</u>
U. S. ENVIRONMENTAL PROTECTION AGENCY			
Brownsfield's Assessment and Clean-up Agreements-ARRA	66.818		
Direct Recipient:			
EPA Petroleum – Administrative Contract		BF97384901	60,123
EPA Hazardous Materials – Administrative Contract		BF97384801	50,209
Total CFDA #66.818			<u>110,332</u>
 Construction Grants for Wastewater Treatment Works	 66.418		
Pass-through from the WV DEP – Brooke County PSD:			
Mahan/Eldersville Sewer Phase I		XP-98355901-0	996
Total CFDA #66.418			<u>996</u>
 TOTAL U. S. ENVIRONMENTAL PROTECTION AGENCY			 <u>111,328</u>
U. S. DEPARTMENT OF ENERGY			
Energy Efficiency and Conservation Block Grant Program-ARRA	81.128		
Pass-through from WV Division of Energy:			
WV Energy Grant		10-183	219,990
Total CFDA #81.128			<u>219,990</u>
 TOTAL U. S. DEPARTMENT OF ENERGY			 <u>219,990</u>
U. S. DEPARTMENT OF HOMELAND SECURITY			
Hazard Mitigation Grant	97.039		
Pass-through from WV Department of Homeland Security			4,000
 TOTAL U. S. DEPARTMENT OF HOMELAND SECURITY			 <u>4,000</u>
 TOTAL FEDERAL AWARDS			 <u>\$ 837,627</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the "Schedule") reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs financed by the U. S. Government for the year ended June 30, 2013. The Schedule has been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles.



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

To the Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
Steubenville, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Brooke-Hancock-Jefferson Metropolitan Planning Commission (the "Commission") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which comprise the Commission's basic financial statements and have issued our report thereon dated December 30, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Zeno, Pochel, Lilly and Coakley, A.C.

Steubenville, Ohio
December 30, 2013



**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
Steubenville, Ohio

Report on Compliance for Each Major Federal Program

We have audited the Brook-Hancock-Jefferson Metropolitan Planning Commission's (the "Commission") compliance with the type of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the fiscal year ended June 30, 2013. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referenced above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Brooke-Hancock-Jefferson Metropolitan Planning Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its the major federal programs for the fiscal year ended June 30, 2013.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Zeno, Pockel, Lilly and Cybulski, A.C.

Steubenville, Ohio
December 30, 2013

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

SUMMARY OF AUDITOR RESULTS

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Type of auditor’s report issued:

An unqualified opinion has been issued on the financial statements of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2013, dated December 30, 2013.

Internal control over Financial Reporting
Material weakness(es) identified?
Significant deficiencies identified?

Yes No
 Yes None
reported
 Yes No

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:
Material weakness(es) identified?
Significant deficiencies identified?

Yes No
 Yes None
reported

An unqualified opinion has been issued on the compliance for major programs of Brooke-Hancock-Jefferson Metropolitan Planning Commission as of and for the fiscal year ended June 30, 2013, and dated December 30, 2013.

Any audit findings disclosed that are required to be reported
in accordance with Circular A-133, Section 510(a)?

Yes No

Identification of major programs:

CFDA Number

Name of Federal Program

20.205

U. S. Department of Transportation:
Highway Planning and Research

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

Brooke-Hancock-Jefferson Metropolitan Planning Commission was determined to be a low-risk auditee for the year ended June 30, 2013.

SECTION 2 – FINANCIAL STATEMENTS FINDINGS

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

SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended June 30, 2013.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

None

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION
AUDITED RATES
AUDITED FRINGE, INDIRECT, AND COMBINED RATE 1998 TO 2013**

<u>Year</u>	<u>Fringe Rate</u>	<u>Indirect Rate</u>	<u>Combined Rate</u>	<u>Annual Change</u>
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	11%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	-9%
2003	0.7325	1.3683	2.1008	23%
2004	0.7020	1.2558	1.9578	-7%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.6620	1.1954	1.8574	13%
2008	0.6314	1.2770	1.9084	3%
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	-11%
2012	0.7030	1.1899	1.8929	1%
2013	0.7430	1.3117	2.0547	9%
2014 Projected	0.7464	1.2466	1.9930	-3%

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

**BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANING COMMISSION
INDIRECT AND FRINGE COMPARISON 2012 TO 2013
INDIRECT COSTS**

	<u>FY 2012</u>	<u>FY 2013</u>	<u>Change</u>	<u>Percent of Change</u>
TOTAL INDIRECT COSTS	\$ 228,092	\$ 247,683	\$ 19,591	8.59
Personnel	94,205	98,699	4,494	4.77
Travel	263	385	122	46.39
Fringe benefits	66,226	73,334	7,108	10.73
Advertising	1,126	1,178	52	4.62
Rent	32,102	33,000	898	2.80
Finance consulting/audit	13,849	13,906	57	0.41
Insurance/bonds	2,948	2,165	(783)	(26.56)
Telephone	3,448	4,260	812	23.55
Depreciation	5,621	5,500	(121)	(2.15)
Supplies	6,973	6,076	(897)	(12.86)
Postage	3,390	4,286	896	26.43
Publications and printing	434	2,301	1,867	430.18
Other	(2,493)	2,593	5,086	(204.01)
INDIRECT COST RATE	118.99%	131.17%	12.18%	10.24%
TOTAL FRINGE BENEFITS	\$ 200,986	\$ 213,635	12,649	6.29
Salary benefits	44,763	51,952	7,189	16.06
Payroll benefits	8,576	5,507	(3,069)	(35.79)
Health insurance	101,631	101,312	(319)	(0.31)
Ohio PERS	46,016	54,864	8,848	19.23
FRINGE BENEFIT RATE	70.30%	74.30%	4.00%	5.69%

Source: BHJ Annual Audits.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Allocation of Indirect Costs</u>	<u>Unallocated Agency Management</u>	<u>Total Agency Management</u>
Personnel	\$ 98,699	\$ 357	\$ 99,056
Fringe benefits	73,334	266	73,600
Travel	385	20	405
Advertising	1,178	-	1,178
Rent	33,000	-	33,000
Finance consulting/audit	13,906	-	13,906
Insurance/bonds	2,165	-	2,165
Telephone	4,260	-	4,260
Depreciation	5,500	41	5,541
Supplies	6,076	-	6,076
Postage	4,286	-	4,286
Publications and printing	2,301	-	2,301
Other	2,593	4,060	6,653
	<u>\$ 247,683</u>	<u>\$ 4,744</u>	252,427
Total, Government-Wide Level			
Depreciation			(4,561)
Lease principal payments			3,284
Indirect capital asset additions			<u>(5,659)</u>
			<u>\$ 245,491</u>
Total, Fund Level			

INDIRECT COST RATE COMPUTATION

<u>Total Indirect Costs</u>	<u>\$ 247,683</u>	=	131.17%
Direct Personnel Costs	\$ 188,831		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2013**

SALARY BENEFITS		\$ 51,952
PAYROLL BENEFITS		
Medicare	\$ 4,783	
Unemployment insurance	220	
Worker's Compensation	504	
Total payroll benefits	5,507	5,507
OTHER BENEFITS		
Health insurance	\$ 101,312	
Ohio PERS	54,864	
Total other benefits	156,176	156,176
Total fringe benefits		\$ 213,635

FRINGE BENEFIT RATE COMPUTATION

<u>TOTAL FRINGE BENEFITS</u>	<u>\$ 213,635</u>	=	74.30%
<u>TOTAL PERSONNEL COSTS</u>	<u>\$ 287,530</u>		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013**

	<i>REVENUE RECORDED</i>				<i>EXPENDITURES</i>				
	<i>Federal</i>	<i>State</i>	<i>Local</i>	<i>Total</i>	<i>Personnel</i>	<i>Fringe Benefits</i>	<i>Other</i>	<i>Indirect</i>	<i>Total</i>
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	\$ 69,759	\$ 8,719	\$ 8,719	\$ 87,197	\$ 26,780	\$ 19,897	\$ 5,393	\$ 35,127	\$ 87,197
WV Department of Transportation	40,102	5,014	5,014	50,130	15,188	11,284	3,748	19,922	50,142
Short Range	26,416	3,302	3,306	33,024	9,599	7,132	3,703	12,591	33,025
TIP	28,747	3,594	3,597	35,938	10,825	8,043	2,859	14,199	35,926
Surveillance	67,995	8,500	8,509	85,004	25,959	19,288	5,740	34,051	85,038
Weirton Transit Administration	6,441	-	-	6,441	1,976	1,468	287	2,592	6,323
Ohio Long Range Finance Element									
Ohio Department of Transportation	50,576	5,355	5,362	61,293	21,695	16,120	3,713	28,458	69,986
Ohio Rideshare									
Ohio Department of Transportation	66,750	-	7,797	74,547	342	254	73,502	449	74,547
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	18,273	2,088	1,910	22,271	6,145	4,566	329	8,061	19,101
WV Department of Transportation	13,195	1,601	1,616	16,412	5,245	3,897	135	6,880	16,157
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/12 – 12/31/12	24,814	18,240	6,574	49,628	12,602	8,953	3,351	16,439	41,345
302(a)(1) 01/01/13 – 06/30/13	25,423	18,240	12,075	55,738	15,694	12,072	4,153	20,676	52,595
Local Projects and Programs									
Toronto Income Survey	-	-	1,657	1,657	175	130	1,123	229	1,657
Broadband	-	-	2,241	2,241	573	425	493	750	2,241
Brooke Glass Mini	-	-	1,347	1,347	1,168	868	2,354	1,532	5,922
Brooke Glass Buzz	-	-	7,000	7,000	69	51	1,132	90	1,342
U. S. Department of Energy									
Energy Efficiency and Conservation									
Block Grant Program-ARRA									
WV Energy Grant	219,990	-	-	219,990	543	404	218,804	713	220,464
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	62,000	-	63,048	125,048	18,488	13,737	68,572	24,251	125,048

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

	<i>REVENUE RECORDED</i>				<i>EXPENDITURES</i>				
	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>	<u>Personnel</u>	<u>Fringe Benefits</u>	<u>Other</u>	<u>Indirect</u>	<u>Total</u>
U. S. Department of Homeland Security									
WV Department of Homeland Security	4,000	-	-	4,000	-	-	4,000	-	4,000
U. S. Environmental Protection									
EPA Petroleum	60,123	-	4,281	64,404	3,274	2,432	54,404	4,294	64,404
EPA Hazardous	50,209	-	4,008	54,217	3,069	2,281	44,841	4,026	54,217
TS&T Focus - Chester Phase II	-	-	194	194	-	-	12,194	-	12,194
WV Division of Environmental Protection									
Oakland PSD	-	11,032	-	11,032	3,369	2,503	3	4,419	10,294
Mahan Lane Phase I	1,486	-	-	1,486	326	242	-	428	996
Mahan Lane Phase II	3,747	-	-	3,747	1,176	874	44	1,542	3,636
Wellsburg Water	-	9,128	-	9,128	2,890	2,148	-	3,791	8,829
Weirton Sewer	-	3,154	-	3,154	988	734	2	1,296	3,020
Weirton Water	-	1,045	-	1,045	316	235	-	415	966
Beech Bottom Water	-	-	(13,810)	(13,810)	-	-	-	-	-
TOTALS	<u>\$ 840,046</u>	<u>\$ 99,012</u>	<u>\$ 134,445</u>	<u>\$ 1,073,503</u>	<u>\$ 188,474</u>	<u>\$ 140,038</u>	<u>\$ 514,879</u>	<u>\$ 247,221</u>	<u>\$ 1,090,612</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2013**

BASIS OF PRESENTATION

The accompanying Schedule of Contract Revenues and Expenditures reflects the expenditures of the Brooke-Hancock-Jefferson Metropolitan Planning Commission programs for the year ended June 30, 2013. The Schedule has been prepared in accordance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



Dave Yost • Auditor of State

BROOK-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 3, 2014**