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Certified Public Accountants, A.C.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
JEFFERSON COUNTY
Regular Audit
For the Year Ended June 30, 2016**

www.perrycpas.com

...“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

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Dave Yost • Auditor of State

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 North 4th Street, 2nd Floor
Steubenville, Ohio 43952

We have reviewed the *Independent Auditor's Report* of the Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson 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 Brooke-Hancock-Jefferson Metropolitan Planning Commission is responsible for compliance with these laws and regulations.

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

Dave Yost
Auditor of State

March 24, 2017

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

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INDEPENDENT AUDITOR'S REPORT

December 21, 2016

Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 4th Street, 2nd Floor
Steubenville, OH 43952

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of **Brooke-Hancock-Jefferson Metropolitan Planning Commission**, Jefferson County, Ohio (the Commission), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Brooke-Hancock-Jefferson Metropolitan Park Commission, Jefferson County, Ohio, as of June 30, 2016, and the respective changes in its financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The following supplemental information: Budget Comparison, Schedule of Rates-Fringe, Indirect & Combined Rates, Schedule of Indirect and Fringe Comparison 2015 and 2016 – Indirect Costs, Schedule of Agency Management Expenditures-Indirect Costs, Schedule of Fringe Benefits, Schedule of Contract Revenues and Expenditures, and Note to Schedule of Contract Revenues and Expenditures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The 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 schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



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

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

Performance

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

The Commission was chartered in 1968. Our purpose, challenges, and partnerships continue to evolve. We understand the need to respond to regional demands and prepare a regional vision within the reality of today's dollars. Our support dollars do not run in perpetuity. They fluctuate according to mandates and events. In 2016, 69.27% of the Commission's revenues were generated through federal and state grants. In 2016, 75.96% of those funds were allocated to transportation; 11.22% allocated to economic development and 12.82% to community development.

Fundamental Principles of the Financial Audit Statement

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

Financial Highlights FY 15 to FY 16 Comparisons

- Total net 2016 position (i.e., total assets minus total liabilities) increased 4.82% from 2015.
- Over the last five years, the audit year 2015 ranked as the lowest accumulated Net Position year. The highest Net Position year was 2012. If not for the recording of GASB68, Fiscal Year 2016 would have had the highest net position in the amount of \$205,340.
- Revenue in 2016 increased \$131,870 over the previous year. The change was largely due to West Virginia Sewer and Water Protection and Waste Water Management Programs.
- Expenses in 2016, driven by the above revenue generation, increased 21%.
- Actual Indirect Costs in 2016 were 8.81% lower when compared to 2015 (\$233,284 in 2015 - \$212,726 in 2016) thereby reducing the indirect cost rate by 9.08%. Total Fringe Benefits were \$4,918 lower in 2016 amounting to a .69% reduction in expense from the previous year.

Long Term Debt

There was no long-term debt at the end of the fiscal year, June 30, 2016. Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

Net Pension Liability

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

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

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

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

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

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

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

Net Pension Liability (Continued)

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

As a result of implementing GASB 68, the Commission is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Capital Assets

Computers, Office Furniture, Copiers and Traffic County Equipment	
Balance of July 1, 2015	\$ 83,038
Additions - Purchase of Printer	14,946
Balance of June 30, 2016	97,984
Accumulated Depreciation	
Balance of July 1, 2015	(68,143)
Current Year - Depreciation Expense	(7,582)
Balance June 30, 2016	(75,725)
Net Capital Assets June 30, 2016	\$ 22,259

Budgets

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

General Fund

The Commission has only one major fund - the General Fund. Information on the General Fund begins on page 12. The General Fund had total revenues of \$915,841 and total expenditures of \$875,152. The fund balance increased by \$40,689.

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

Anyone who has ever looked at an annual report, a 10-K or a 10-Q has undoubtedly noticed that there are pages and pages of text -- the filings aren't just financial statements. Part of this text is the MD&A, and its intent is to explain portions of detailed financial statements. That is, the MD&A is a simplified report of Brooke-Hancock-Jefferson Metropolitan Planning Commission's Statement of Net Position, Revenues and Expenditures for the year ended June 30, 2016. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

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

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

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

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

Contacting Brooke-Hancock-Jefferson Metropolitan Planning Commission

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

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

Statement of Net Position

	2015	2016	Change
Assets			
Current and Other Assets	\$ 201,516	\$ 258,966	\$ 57,450
Capital Asset, Net	14,895	22,259	7,364
Total Assets	<u>216,411</u>	<u>281,225</u>	<u>64,814</u>
Deferred Outflow of Resources			
Pension	56,618	147,028	90,410
Total Deferred Outflow of Resources	<u>56,618</u>	<u>147,028</u>	<u>90,410</u>
Liabilities			
Current and Other Liabilities	40,370	58,090	17,720
Long Term Liabilities:			
Due in More Than One Year			
Copier Lease	-	10,213	10,213
Net Pension Liability	342,162	430,414	80,252
Total Liabilities	<u>382,532</u>	<u>498,717</u>	<u>108,185</u>
Deferred Inflows of Resources			
Pension	11,954	42,846	30,892
Deferred Revenues	5,558	7,582	2,024
Total Deferred Inflows of Resources	<u>17,512</u>	<u>50,428</u>	<u>32,916</u>
Net Potistion			
Net Investment in Capital Assets	14,895	9,057	(5,838)
Unrestricted	(141,910)	(129,949)	11,961
Total Net Position	<u>\$ (127,015)</u>	<u>\$ (120,892)</u>	<u>\$ 6,123</u>

**BROOKE-HANKCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2016
UNAUDITED**

Changes in Net Position

Revenue	<u>2015</u>	<u>2016</u>	<u>Change</u>
Program Revenue			
Operating Grants and Contributions	\$ 629,174	\$ 694,249	\$ 65,075
General Revenues			
Per Capita Dues	104,926	104,935	9
West Virginia Development Office	33,744	33,744	-
Miscellaneous	1,243	68,029	66,786
Total Revenues	<u>769,087</u>	<u>900,957</u>	<u>131,870</u>
Expenses			
Trans. Planning	474,659	515,945	41,286
Economic Development	143,968	1,706,535	26,685
Transit Studies	6,020	12,573	6,553
Comm. Development	93,299	89,208	(4,091)
Environmental Protection	21,783	106,455	84,672
Total Expensees	<u>739,729</u>	<u>894,834</u>	<u>155,105</u>
Changes in Net Position	29,358	6,123	23,235
Beginning Net Position	<u>(156,373)</u>	<u>(127,015)</u>	<u>29,358</u>
Ending Net Position	<u>\$ (127,015)</u>	<u>\$ (120,892)</u>	<u>\$ 6,123</u>

Functional Expenses

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
Programs				
Transportation Planning	\$ 474,658	\$ 515,945	\$ (43,269)	\$ (52,818)
Transit Studies	6,020	12,573	(650)	(1,586)
Community Development	93,299	89,208	(40,917)	(42,940)
Environmental Protection	21,781	106,455	(572)	(106,455)
Economic Development	143,968	170,653	(25,147)	(100,653)
Total Expenses	<u>\$ 739,726</u>	<u>\$ 894,834</u>	<u>\$ (110,555)</u>	<u>\$ (304,453)</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
June 30, 2016**

Government-wide Activities

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	130,932
Accounts receivable		33,318
Grants receivable		82,256
Prepays		12,460

CAPITAL ASSETS

Property, plant, and equipment, net of accumulated depreciation		22,259
Total assets		281,225

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pension		147,028
Total deferred outflows of resources		147,028

TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	\$	428,253
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	41,435
Accrued payroll		11,701
Accrued and withheld payroll taxes		170
Accrued and withheld employee benefits		1,795
Copier lease		2,989
Total current liabilities		58,090

LONG-TERM LIABILITIES

Net pension liability		430,414
Copier lease		10,213
Total long-term liabilities		440,627

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - pension		42,846
Deferred inflows of resources - grants not available		7,582
Total deferred inflows of resources		50,428

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		549,145
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NET POSITION

Net investment in capital assets		9,057
Unrestricted (deficit)		(129,949)

TOTAL NET POSITION	\$	(120,892)
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**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

<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	\$ 372,284	\$ 143,661	\$ 463,127	\$ (52,818)
Transit Studies and Capital Planning	7,650	4,923	10,987	(1,586)
Community Development Projects	64,375	24,833	46,268	(42,940)
Environmental Protection Projects	89,869	16,586	69,109	(37,346)
Economic Development Projects	147,933	22,720	70,000	(100,653)
Total Primary Government-Wide	<u>\$ 682,111</u>	<u>\$ 212,723</u>	<u>\$ 659,491</u>	<u>(235,343)</u>
General Government-Wide Revenues:				
Miscellaneous				68,029
Per Capita Revenues				34,758
Administrative Revenues				104,935
West Virginia Development Office				33,744
Total General Government-Wide Revenues				<u>241,466</u>
Changes In Net Position				6,123
Net Position, Beginning of Year				<u>(127,015)</u>
Net Position, End of Year				<u>\$ (120,892)</u>

See Accompanying Notes to the Basic Financial Statements

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

		General Fund
ASSETS		
Cash and cash equivalents	\$	130,932
Accounts receivable		33,318
Grants receivable		82,256
Prepays		12,460
TOTAL CURRENT ASSETS	\$	258,966
LIABILITIES		
Accounts payable	\$	41,435
Accrued and withheld employee benefits		1,795
Accrued payroll		11,701
Accrued and withheld payroll taxes		170
Total liabilities		55,101
DEFERRED INFLOWS OF RESOURCES		
Grants not available		7,582
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		62,683
FUND BALANCE		
Nonspendable Prepays		12,460
Unassigned		183,823
Total fund balance		196,283
TOTAL LIABILITIES AND FUND BALANCE		\$ 258,966

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
June 30, 2016**

General Fund Balance	\$	196,283
Amounts reported for Government-Wide activities in the statement of net position are different because:		
Capital assets of \$97,983 net of accumulated depreciation of \$(75,725) and capital lease of \$(13,202) are not financial resources and, therefore, are not reported in the fund.		9,057
Net pension liability of \$430,414 less net deferred inflows/outflows of pension expense of \$104,182 are not financial resources and therefore are not reported in the fund		<u>(326,232)</u>
Net Position of Government-Wide Activities	\$	<u><u>(120,892)</u></u>

See Accompanying Notes to the Basic Financial Statements

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>
REVENUES	
Federal grants and projects	\$ 564,549
State financial assistance	143,570
Per capita dues	104,935
Administrative revenues	34,758
Local assistance	<u>68,029</u>
Total revenues	<u>915,841</u>
 EXPENDITURES	
Transportation planning	503,051
Transit studies and capital planning	12,362
Community development projects	87,467
Environmental protection projects	104,597
Economic development projects	<u>167,675</u>
Total expenditures	<u>875,152</u>
 NET CHANGE IN FUND BALANCE	 40,689
 GENERAL FUND BALANCE, BEGINNING	 <u>155,594</u>
 GENERAL FUND BALANCE, ENDING	 <u><u>\$ 196,283</u></u>

See Accompanying Notes to the Basic Financial Statements

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGE IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - General Fund \$ 40,689

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

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

This is the amount of depreciation in the current period not recognized as expense in the general fund. (7,582)

Governmental funds report debt payments as expenditures. This is the amount of debt payments in the current period. 1,743

Revenues not in the statement of activities that provide current financial resources are reported as revenue in the General Fund.
Grants (14,884)

Pension expense reported in the Government -Wide Activities that are not financial resources and therefore are not reported in the fund. (13,843)

Change in Net Position of Government-Wide Activities \$ 6,123

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- 1) General Fund

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

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

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

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

<u>Description</u>	<u>Estimated Lives</u>
Equipment	5 to 15 Years

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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

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

Budgets - Budgets for the general fund are prepared annually on a modified accrual method by the staff and approved by the Commission. Budgets are reviewed on an ongoing basis and amendments are proposed as necessary. The amendments are approved by the Executive Committee. The Commission is not required by Ohio Revised Code to budget, however, the board approves a budget prepared by the financial director to guide them.

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk - Cash deposits and cash on hand consist of the following at June 30, 2016:

	<u>Balance</u>	<u>Bank Carry Balance</u>
PNC	\$ 130,832	\$ 132,100
Petty Cash	100	
Total Cash Deposits and Cash on Hand.	<u>\$ 130,932</u>	<u>\$ 132,100</u>

The Commission's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2016, the Commission's balances were not in excess of the FDIC prescribed insured limits

NOTE 3 - CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2016, is as follows:

Government-Wide activities:

Equipment Balance of July 1, 2015	\$ 83,038
Additions	14,946
Balance June 30, 2016	<u>97,984</u>
Accumulated Depreciation	
Prior years	(68,143)
Current Year	(7,582)
Balance June 30, 2016	<u>(75,725)</u>
Net Capital Assets June 30, 2016	<u>\$ 22,259</u>

Direct and Indirect depreciation expense for the period ending June 30, 2016, included in the Government-Wide expenses consist of the following:

Transportation Planning	\$ 5,913
Transit Studies and Capital Planning	49
Community Development Projects	534
Environmental Protection Projects	417
Economic Development Projects	669
	<u>\$ 7,582</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 - DEFERRED INFLOWS OF RESOURCES

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

ARC - 2016		\$	4,688
Local Per-Capita Revenues - Government Wide			<u>2,894</u>
Deferred Inflow of Resources		\$	<u>7,582</u>

NOTE 5 - GRANTS RECEIVABLE

Grants receivable of \$82,256 is comprised of amounts due from the following governmental entities at June 30, 2016:

WV Department of Transportation - FHWA (Federal)		\$	16,999
WV Department of Transportation - FHWA (State)			2,125
WV Department of Transportation - FTA Section 8 (Federal)			1,347
WV Department of Transportation - FTA Section 8 (State)			168
Ohio Department of Transportation - FHWA (Federal)			33,331
Ohio Department of Transportation - FHWA (State)			4,166
Ohio Department of Transportation - FTA Section 8 (Federal)			190
Ohio Department of Transportation - FTA Section 8 (State)			24
Ohio Rideshare			12,158
Ohio Trails and Greenways			<u>11,748</u>
Total Grants and Contributions Receivable			<u><u>\$82,256</u></u>

NOTE 6 - LINE OF CREDIT

The Commission entered into a \$10,000 line of credit agreement with PNC Bank. The line has a term of one year, and each advance will bear interest of 9.75 percent. The line of credit was renewed on May 30, 2016. 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 7 - OTHER POST-EMPLOYMENT BENEFITS

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

A. Plan Description

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

OPERS maintains 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 to 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 OPERS sponsored 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 health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board 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/financial/reports.lshtml#CAFR>, by writing OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

B. Funding Policy

The Ohio Revised Code provides the statutory authority requiring public employers to fund health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund 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 14.00 percent of covered payroll. These are maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple-employer trusts, the 401(H) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of dependents and the coverage selected. The employer contribution, as a percentage of covered payrolls deposited to VEBA for participants in the Member-Directed Plan for 2015, was 4.5%.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Information from Commission's records

The total employer contribution rate, in Section 8, is the statutorily required contribution rates for OPERS. The Commission's contributions allocated to fund health care benefits for the years ended June 30, 2016, 2015 and 2014 were \$6,308 and \$6,959, \$3,691, respectively. One hundred percent was contributed for 2016, 2015, and 2014.

NOTE 8 - ECONOMIC DEPENDENCY

Approximately 69 percent of the Commission's revenue is from the Federal and State Grant revenue as compared to the total agency revenue.

NOTE 9- CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The Traditional Pension Plan

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

Funding Policy - Employers are required to make contributions to the System on the basis of a percentage of eligible salary and at a rate based upon the recommendations of the OPERS actuary, subject to the statutory limitations. Penalties and interest are assessed for late payments. The contribution rate for State and Local employers in 2016 was 14.0%.

The 2016 employee contribution rate for State and Local members was 10.0% of earnable salary. Individual accounts for each member of OPE RS are maintained and funds contributed by members of the Traditional Pension Plan are fully refundable at service termination or death.

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

The Commissions' contractually required contribution to OPERS was \$48,513 for fiscal year 2016. Of this amount \$24,667 is reported as a deferred outflow.

Age-and-Service Retirement

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. Members who were eligible to retire under law in effect prior to SB 343 or who will be eligible to retire no later than five years after January 7, 2013 comprise transition Group A. Members who have 20 years of service credit prior to January 7, 2013 or who will be eligible to retire no later than 10 years after January 7, 2013 are included in transition Group B. Group C includes those members who are not in either of the other groups and members who were hired on or after January 7, 2013. Please see the Plan Statement in the OPERS 2015 CAFR for additional details.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

OPERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. That report can be obtained by visiting the OPERS website at www.opers.org. Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/ (asset), required supplementary information on the net pension liability/ (asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2015 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

Age and service requirements for retirement are as follows:

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

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

Benefits in the Traditional Pension Plan for State and Local members are calculated on the basis of age, final average salary (FAS), and service credit. State and Local members in transition Groups A and B are eligible for retirement benefits at age 60 with 60 contributing months of service credit or at age 55 with 25 more years of service credit. Group C for State and Local is eligible for retirement at age 57 with 25 years of service or at age 62 with five years of service. For Groups A and B, the annual benefit is based on 2.2% of FAS multiplied by the Actual years of Service for the first 30 years of service credit and 2.5% for years of serviced in excess of 30 years. For Group C, the annual benefit applies a factor of 2.2% for the first 35 years and a factor of 2.5% for the years of service in excess of 35. 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. Refer to the age-and-service tables located in the OPERS 2015 CAFR Plan Statement for additional information regarding the requirements for reduced and unreduced benefits, Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for the calculation of the annual cost-of-living adjustment.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-of-Living Adjustment

Once a benefit recipient retiring under the Traditional Pension Plan has received benefits for 12 months, annual 3% cost-of-living adjustment is provided on the member's base benefit. A death benefit of \$500 - \$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan.

Health Care Coverage

OPERS maintains three health care trusts. Two of the trusts, the 401(h) Health Care Trust (401(h) Trust) and the 115 Health Care Trust (115 Trust), work together to provide funding to eligible members of the Traditional Pension and Combined plans. The third trust is a Voluntary Employees' Beneficiary Association Trust (VEBA Trust) that accumulates funding for participants of the Member-Directed Retiree Medical Account Plan (RMA), which functions as a medical spending account. The three trusts are considered separate legal entities under Internal Revenue Service (IRS) regulations and are reported in separate audited financial statements. Subsequent to year end, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate health care assets into the 115 trust. For more information, refer to Note 7 on page 75 of the OPE RS 2015 CAFR Effective October 1, 2015, OPERS launched the OPERS Medicare Connector (Connector) along with a health reimbursement arrangement (HRA) for Traditional Pension and Combined plan retirees enrolled in Medicare Parts A and B. The 115 Trust was established in 20-14 to provide a funding mechanism for the HRA. Eligible retirees who purchase Medicare supplemental coverage through the Connector may receive a monthly allowance in their HRA to reimburse eligible health care expense, beginning with January 2016 premiums. These trusts are reported as other postemployment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care plan design to improve the ongoing solvency of the plan. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage. Please see the Plan Statement beginning on page 213 of OPERS 2015 CAFR for additional details. Health care coverage is neither guaranteed nor statutorily required.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission' share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>
Proportionate Share of the Net Pension Liability	0.002534%
Proportion of the Net Pension Liability	\$ 430,414
Pension Expense	\$ 41,004

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

	<u>OPERS</u>
Deferred Outflows of Resources	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	\$ 121,476
Commission Contributions Subsequent to the Measurement Date	24,667
Changes in Employer Proportionate Share of Contributions	885
Total Deferred Outflows of Resources	\$ 147,028
Deferred Inflows of Resources	
Differences Between Expected and Actual Experience	\$ 11,816
Changes in Proportion and Differences	29,741
Difference Between Commission Contributions and Proportionate Share of Contributions	1,289
Total Deferred Inflows of Resources	\$ 42,846

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of \$24,667 is reported and 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:

	<u>2016 Deferrals</u>
Fiscal year Ending June 30	
2017	\$ 13,843
2018	15,422
2019	26,774
2020	25,338
Thereafter	(1,862)
Total	\$ 79,515

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	31-Dec-15
Experience Study	5 Year Period Ending December 31, 2010
Actuarial Cost Method	Individual Entry Age
Actuarial Assumptions	
Investment Rate of Return	8.00%
Wage Inflation	3.75%
Projected Salary Increases	4.25 - 10.05% (includes wage inflation at 3.75%)
Cost of Living Adjustments	Pre 01/07/2013 Retirees 3.00% Simple Post 01/07/2013 to 12/31/2018 Retirees 3.00% Simple Post 01/01/2019 Retirees 3.00% Simple

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

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

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 10 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

Employers' Net Pension Liability/(Asset)	1% Decrease	Current Discount Rate	1% Increase
	7.00%	8.00%	9.00%
Traditional Pension Plan	\$ 791,846	\$ 430,414	\$ 126,009

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved Asset allocation policy for 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	20.70%	5.84%
Real Estate	10.00%	4.25%
Private Equity	10.00%	9.25%
International Equities	18.30%	7.40%
Other Investments	18.00%	4.59%
Total	100.00%	5.27%

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected 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 Benefit portfolio, the 401(h) Health Care Trust 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 investment expense, for the Defined-Benefit portfolio is 0.4% for 2015.

NOTE 11 - RISK MANAGEMENT

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

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 - RISK MANAGEMENT (Continued)

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 12 - COST ALLOCATION PLAN

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

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

Following are summaries of the accounting treatment and rate experience for fringe benefit costs and indirect costs for FY2016.

1. Fringe Benefits

Fringe benefit costs are recorded in the general fund as fringe costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the oversight grantor agency. The FY2016 fringe benefit costs were allocated at a provisional rate of 66.03% of direct and indirect labor costs. The actual fringe benefit cost rate was 63.64%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

2. Indirect Costs

Administrative costs are recorded in the general fund as indirect costs and allocated to the programs in accordance with the approved cost allocation plan, based upon a provisional rate approved by the over-site grantor agency. The FY2016 indirect costs were allocated at a provisional rate of 122.84% of direct labor costs. The actual indirect cost rate was 112.37%. Per the agreement with ODOT, the provisional rate was adjusted to actual and the adjustment is reflected in the financial statements.

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2016**

Schedule of the Proportionate Share of the Net Pension Liability

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

	<u>2015 OPERS</u>	<u>2014 OPERS</u>
Proportionate Share of the Net Pension Liability	0.002534%	0.002838%
Proportion of the Net Pension Liability	\$ 430,414	\$ 342,162
Covered Employee Payroll	\$ 315,405	\$ 349,162
Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Employee Payroll	136.46%	97.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF THE COMMISSION'S CONTRIBUTIONS
JUNE 30, 2016**

Schedule of the Commission Contributions

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

	2016 OPERS	2015 OPERS
Contractually Required Contributions	\$ 47,312	\$ 53,365
Contributions in Relation to the Contractually Required Contributions	\$ (47,312)	\$ (53,365)
Contributions Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Commission's Covered-Employee Payroll	\$ 315,405	\$ 349,297
Contributions as a Percentage of the Covered-Employee Payroll	15.00%	15.28%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

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

Ohio Public Employers' Retirement System

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for calendar year 2014 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for calendar year 2014 and 2015. See the notes to the basic financials for the methods and assumptions in this calculation.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2016

	Budget FY 2016	Actual FY 2016	Difference (Over) Under Budget
Wages Paid for Time Worked:			
Direct Labor	\$ 188,680	\$ 189,306	\$ (626)
Indirect Labor	97,954	94,859	3,095
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	<u>\$ 286,634</u>	<u>\$ 284,165</u>	<u>\$ 2,469</u>
Fringe Benefits			
Annual/Vacation	\$ 20,158	\$ 20,194	\$ (36)
Sick Leave	8,511	5,044	3,467
Holiday	15,483	16,272	(789)
Other Leave	-	755	(755)
Subtotal Fringe Benefit Wages	<u>44,152</u>	<u>42,265</u>	<u>1,887</u>
Other Fringe Benefits			
Medicare	4,796	4,738	58
Employment Services	243	226	17
Life	1,270	1,467	(197)
Hospitalization	83,056	78,432	4,624
OPERS	48,188	48,966	(778)
Vision/Dental/Wellness	6,900	4,324	2,576
Worker's Compensation	662	435	227
Subtotal Other Fringe Benefits	<u>145,115</u>	<u>138,588</u>	<u>6,527</u>
TOTAL FRINGE BENEFITS	<u>\$ 189,267</u>	<u>\$ 180,853</u>	<u>\$ 8,414</u>
Indirect Costs			
Salaries - Indirect Only	\$ 97,954	\$ 94,859	\$ 3,095
Fringe Benefits for Indirect Salaries	64,679	60,372	4,307
Advertising	300	-	300
Audit Services	-	109	(109)
Computer/Internet Repairs	3,200	3,301	(101)
Copier	300	-	300
Depreciation	4,500	3,506	994
Equipment Expense	3,000	1,144	1,856
Finance Consulting & Publications	1,000	517	483
Insurance/Bonds	4,200	3,187	1,013
Legal Service	500	-	500
Memberships and Subscriptions	1,000	343	657
Miscellaneous	1,000	916	84
Postage	3,000	2,579	421
Punlications and Printing	350	26	324
Rent	33,000	33,000	-
Software/Technical Support	1,300	725	575
Supplies	6,000	4,036	1,964
Telephone	4,000	3,056	944
Travel	2,500	1,049	1,451
TOTAL INDIRECT COST	<u>\$ 231,783</u>	<u>\$ 212,725</u>	<u>\$ 19,058</u>

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF RATES
FRINGE, INDIRECT & COMBINED RATES 1998 TO 2016**

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	-11%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.8380	2.4691	-9%
2003	0.7325	1.3683	2.1008	23%
2004	0.702	1.2558	1.9578	-7%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.662	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	0.703	1.1899	1.8929	1%
2013	0.743	1.3117	2.0547	10%
2014	0.6304	1.2932	1.9236	2%
2015	0.6409	1.2359	1.8768	-9%
2016	0.6364	1.1237	1.7601	-6%
2017 Projected	0.6913	1.1497	1.8410	5%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2015 AND 2016
INDIRECT COSTS**

	<u>2015</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
TOTAL INDIRECT COSTS	\$ 233,284	\$ 212,725	\$ (20,559)	-9%
Personnel	101,084	94,859	(6,225)	-6%
Fringe Benefits	64,789	60,372	(4,417)	-7%
Advertising	1,255	-	(1,255)	-100%
Audit Services	10,784	109	(10,675)	-99%
Computer/Internet Reports	4,635	3,301	(1,334)	-29%
Depreciation	1,776	3,506	1,730	96%
Equipment Cost	485	1,144	659	130%
Financial Consultant/Publications	517	517	-	0%
Insurance	3,135	3,187	52	2%
Membership	626	343	(283)	-40%
Miscellaneous	2,280	916	(1,364)	-60%
Postage	563	2,579	2,016	358%
Publications & Printing	224	26	(198)	-88%
Rent	33,000	33,000	-	0%
Software/Training	500	725	225	45%
Supplies	3,695	4,036	341	9%
Telephone	3,471	3,056	(415)	-12%
Travel	465	1,049	584	126%
Indirect Cost Rate	123.59%	112.37%	-11.22%	-9.08%
	<u>2015</u>	<u>2016</u>	<u>Change</u>	<u>% Change</u>
Total Fringe Benefits	\$ 185,771	\$ 182,471	\$ (3,300)	-3%
Salary Benefits	46,882	46,883	1	0%
Payroll Benefits	8,919	8,190	(729)	-8%
Health Insurance	79,398	78,432	(966)	-1%
Ohio PERS	50,572	48,966	(1,606)	-3%
Fringe Benefit Rate	64.09%	63.64%	-45%	-1%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	\$ 94,859	\$ -	\$ 94,859
Fringe benefits	60,372	-	60,372
Advertising	-	670	670
Audit and personal service contracts	109	8,950	9,059
Dues and publications	886	729	1,615
Equipment costs	7,951	-	7,951
Insurance	3,187	-	3,187
Postage	2,579	-	2,579
Rent	33,000	-	33,000
Supplies	4,036	-	4,036
Telephone	3,056	-	3,056
Travel	1,049	137	1,186
Other	1,641	1,597	3,238
	<hr/>	<hr/>	<hr/>
Total, Government-Wide Level	\$ 212,725	\$ 12,083	224,808
Depreciation			(3,506)
Indirect capital asset additions			<u>(16,689)</u>
			<hr/>
		Total, Fund Level	<u>\$ 204,613</u>

INDIRECT COST RATE COMPUTATION

Total Indirect Costs	<u>\$ 212,725</u>	=	112.37%
Direct Personnel Costs	\$ 189,306		

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2016**

Salary Benefits		\$	42,265
Payroll Benefits:			
Medicare	\$		4,738
Unemployment Insurance			226
Worker's Compensation			435
			5,399
Other Benefits			
Health Insurance		78,432	
Life Insurance		1,467	
Dental/Vision/Wellness		4,324	
Ohio PERS		48,966	
			133,189
Total Fringe Benefits			\$ 180,853

Fringe Benefit Rate Computation

<u>TOTAL FRINGE BENEFITS</u>	<u>\$</u>	180,853	
<u>TOTAL PERSONNEL COSTS</u>	<u>\$</u>	184,165	64.09%

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016**

	REVENUE RECORDED				EXPENDITURES				
	Federal	State	Local	Total	Personnel	Fringe Benefits	Indirect	Other	Total
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	\$ 51,566	\$ 6,446	\$ 6,446	\$ 64,458	\$ 20,515	\$ 13,056	\$ 23,053	\$ 7,833	\$ 64,457
OH Short Range	22,713	2,838	2,844	28,395	10,157	6,464	11,413	361	28,395
OH TIP	9,464	1,183	1,185	11,832	3,969	2,526	4,460	876	11,832
OH Surveillance	52,660	6,581	6,593	65,834	22,226	14,144	24,975	4,485	65,832
WV Department of Transportation	32,872	4,109	4,109	41,090	12,513	7,964	14,061	6,552	41,090
WV Short Range	17,832	2,230	2,230	22,292	7,974	5,075	8,960	283	22,292
WV TIP	7,430	929	929	9,288	3,119	1,985	3,505	681	9,289
WV Surveillance	41,343	5,171	5,171	51,685	17,464	11,114	19,624	3,485	51,685
Ohio Long Range Finance Element									
Ohio Department of Transportation	37,436	4,678	4,687	46,801	16,421	10,451	18,453	1,475	46,800
WV Department of Transportation	29,391	3,676	3,676	36,743	12,903	8,211	14,499	1,130	36,743
Ohio Rideshare									
Ohio Department of Transportation	77,579			77,579	584	372	657	75,966	77,579
Ohio Trails and Greenways									
Ohio Department of Transportation	45,000			45,000				45,000	45,000
Federal Transit Administration									
Transit Technical Studies: FTA Section 8									
Ohio Department of Transportation	2,709	339	339	3,387	1,224	779	1,375	8	3,386
WV Department of Transportation	7,057	882	882	8,821	3,157	2,009	3,548	107	8,821
Appalachian Regional Commission									
Appalachian Local Development District									
302(a)(1) 07/01/15 – 12/31/15	26,111	19,786	260	46,157	11,058	7,245	13,350	20,702	52,355
302(a)(1) 01/01/16– 06/30/16	20,157	13,958		34,115	10,999	6,792	11,436	4,888	34,115
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	70,000		95,707	165,707	20,219	12,867	22,720	109,901	165,707
Projects and Programs									
Miscellaneous Projects			153	153	42	26	47	38	153
Source Water Protection			64,964	64,964	1,269	807	1,425	61,300	64,801
Mahan Lane Phase II			7,796	7,796	2,824	1,797	3,174		7,795
Wellsburg Sewer II			9,490	9,490	3,438	2,188	3,863		9,489
Weirton Sewer			4,540	4,540	1,572	1,000	1,766		4,338
Weirton Water			4,186	4,186	1,517	965	1,704		4,186
WV Dep Waste Water Management			4,145	4,145	1,009	642	1,134	1,230	4,015
Weirton Transit			8,746	8,746	3,132	1,993	3,520	101	8,746
TOTALS	\$ 551,320	\$ 72,806	\$ 239,078	\$ 863,204	\$ 189,305	\$ 120,472	\$ 212,723	\$ 346,402	\$ 868,901

See Accompanying Notes to the Schedule fo Contract Revenues and Expenditures

**BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016. The Schedule has been prepared in accordance with the requirements of Government Auditing Standards, issued by the Comptroller General of the United States, using the modified accrual basis of accounting in accordance with generally accepted accounting principles. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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

December 21, 2016

Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 4th Street, 2nd Floor
Steubenville, OH 43952

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and the major fund of Brooke-Hancock-Jefferson Metropolitan Planning Commission, Jefferson County, (the Commission) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated December 21, 2016.

Internal Control Over Financial Reporting

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

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

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



...“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

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



Compliance and Other Matters

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

We also noted certain matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated December 21, 2016.

Purpose of this Report

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



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



Dave Yost • Auditor of State

BROOKE – HANCOCK – JEFFERSON METROPOLITAN PLANNING COMMISSION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 6, 2017**