Perry & Associates
Certified Public Accountants, A.C.

BROOKE-HANCOCK-JEFFERSON METROPOLITAN PLANNING COMMISSION JEFFERSON COUNTY

Regular Audit

For the Year Ended June 30, 2018

OHIO AUDITOR OF STATE
KEITH FABER

Board of Directors
Brooke-Hancock-Jefferson Metropolitan Planning Commission
124 N. 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, 2017 through June 30, 2018. 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.

Keith Faber
Auditor of State
Columbus, Ohio

March 13, 2019

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BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION

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INDEPENDENT AUDITOR'S REPORT

January 22, 2019

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, 2018, 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.

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, 2018, and the respective changes in its financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 4 to the financial statements, during the year ended June 30, 2018, the Commission adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension and OPEB liabilities and pension and OPEB 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 2017 and 2018 – 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.

We did not subject the Budget Comparison, Schedule of Rates-Fringe, Indirect & Combined Rates, Schedule of Indirect and Fringe Comparison 2017 and 2018 – 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, 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 January 22, 2019, 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 & Associates CPA's A.C.

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018
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 2018, 74% of the Commission's revenues were generated through federal and state grants. In 2018, 61% of those funds were allocated to transportation; 19% allocated to economic development and 14% 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 17 to FY 18 Comparisons

- Total net 2018 position (i.e., total assets minus total liabilities) decreased 76.32% from 2017.
- This fiscal year ranked as the lowest accumulated Net Position year. The highest Net Position year was 2014. If not for the recording of GASB 68 and GASB 75, Fiscal Year 2018 would have had the highest net position in the amount of $232,947.
- Revenue in 2018 decreased $9,513 over the previous year. The change was largely due to no longer administering the Ohio Trails and Greenways Program.
- Expenses in 2018, driven by the above revenue generation, increased 3%.
- Actual Indirect Costs in 2018 were 14% lower when compared to 2017 thereby reducing the indirect cost rate by 12.09%. Total Fringe Benefits were $12,740 lower in 2018 amounting to a 7% decrease in expense from the previous year.

Long Term Debt

There was no long-term debt at the end of the fiscal year, June 30, 2018. Under Ohio Revised Code, the Commission does not have the authority to incur debt; however, the Commission may enter into capital leases.

Net Pension and OPEB 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 fiscal year 2018, the Commission adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). 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 OPEB and the net pension liability and net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability or net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the Commission's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other post-employment benefits. GASB noted that the unfunded portion of this pension and OPEB promise is a present obligation of the government, part of a 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 these liabilities. 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 Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the retirement 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 retirement system is responsible for the administration of the pension and OPEB plans.

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 or the OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the Commission's statements prepared on an accrual basis of accounting include an annual pension and an annual OPEB expense for their proportionate shares of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the Commission is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from ($80,035) to ($335,914).

Capital Assets

Computers, Office Furniture, Copiers and Traffic Count Equipment	
Balance of July 1, 2017	$ 100,914
Additions- large format printer, computer and analyzer	16,357
Balance June 30, 2018	117,271
Accumulated Depreciation	
Balance of July 1, 2017	(83,384)
Current Year - depreciation expense	(10,366)
Balance June 30, 2018	(93,750)
Net Capital Assets June 30, 2018	$ 23,521

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 manager to guide them.

General Fund

The Commission has only one major fund – the General Fund. Information on the General Fund begins on page 13. The General Fund had total revenues of $779,754 and total expenditures of $777,894. The fund balance increased by $1,860.

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, 2018. It is important to note, however, that the MD&A is not audited; only the actual financial statements are audited in this financial report.

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

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

For the purposes of doing business in West Virginia, the Commission contracts under the name of the Brooke-Hancock Regional Planning and Development Council (BH). The 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 Commission's finances and accountability for monies received. Additional financial information may be obtained by contacting the Commission's Finance Manager (124 North 4th Street. Steubenville, Ohio 43952).

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018
Unaudited

STATEMENT OF NET POSITION

	2017	2018	Change
Assets			
Current and Other Assets	$ 248,143	$ 284,234	$ 36,091
Capital Asset, net	17,530	23,521	5,991
Total Assets	265,673	307,755	42,082
Deferred Outflow of Resources			
Other Post-Employment Benefits	-	20,505	20,505
Pension Benefits	140,481	244,872	104,391
Total Deferred Outflow of Resources	140,481	265,377	124,896
Liabilities			
Current and Other Liabilities	39,760	70,574	30,814
Long Term Liabilities:			
Due in More Than One Year			
Copier Lease	7,225	4,234	(2,991)
Net Other Post-Employment Benefits Liability	-	251,934	251,934
Net Pension Benefits Liability	315,269	452,543	137,274
Total Liabilities	362,254	779,285	417,031
Deferred Inflows of Resources			
Other Post-Employment Benefits	-	18,540	18,540
Pension Benefits	120,333	98,845	(21,488)
Deferred Revenues	3,602	-	(3,602)
Total Deferred Inflows of Resources	123,935	117,385	(6,550)
Net Position			
Net Investment in Capital Assets	7,317	16,298	8,981
Unrestricted	(87,352)	(339,836)	(252,484)
Total Net Position	$ (80,035)	$ (323,538)	$ (243,503)

CHANGES IN NET POSITION - GOVERNMENT-WIDE ACTIVITIES

	2017	2018	Change
Revenue			
Program Revenue			
Operating Grants and Contributions	$ 616,613	$ 549,380	$ (67,233)
General Revenues			
Per Capita Dues	104,135	106,425	2,290
West Virginia Development Office	31,363	31,363	-
Miscellaneous	44,179	99,609	55,430
Total Revenues	796,290	786,777	(9,513)
Expenses			
Transportation Planning	479,398	460,489	(18,909)
Economic Development	136,574	143,692	7,118
Transit Studies	5,012	9,638	4,626
Community Development	99,788	109,621	9,833
Environmental Protection	34,661	50,961	16,300
Total Expenses	755,433	774,401	18,968
Changes in Net Position	40,857	12,376	(28,481)
Beginning Net Position (see Note 4)	(120,892)	(335,914)	(215,022)
Ending Net Position	$ (80,035)	$ (323,538)	$ (243,503)

The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of $3,403 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of $5,910. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 program expenses under GASB 75	$802,187
Negative OPEB expense under GASB 75	5,910
2018 contractually required contribution	3,403
Adjusted 2018 program expenses	811,500
Total 2017 program expenses under GASB 45	755,433
Increase in program expenses not related to OPEB	$56,067

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018
Unaudited

FUNCTIONAL EXPENSES

	Total Cost of Services		Net Cost of Services	
	2018	**2017**	**2017**	**2018**
Programs				
Transportation Planning	$ 460,489	$ 479,398	$ (32,952)	$ (55,585)
Transit Studies	9,638	5,012	(389)	(1,187)
Community Development	109,621	99,788	(49,382)	(48,415)
Environmental Protection	50,961	34,661	(34,661)	(46,142)
Economic Development	143,692	136,574	(66,574)	(73,692)
Total Expenses	**$ 774,401**	**$ 755,433**	**$ (183,958)**	**$ (225,021)**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2018

Government-Wide Activities

	ASSETS	
CURRENT ASSETS		
	Cash and cash equivalents	$ 156,952
	Accounts receivable	68,470
	Grants and contributions receivable	49,918
	Prepaid	8,894
CAPITAL ASSETS		
	Property, plant, and equipment, net of accumulated depreciation	23,521
	Total assets	307,755
DEFERRED OUTFLOWS OF RESOURCES		
	Deferred outflows of resources - pension	244,872
	Deferred outflows of resources – other post-employment benefits	20,505
	Total deferred outflows of resources	265,377
	TOTAL ASSET AND DEFERRED OUTFLOWS OF RESOURCES	**$ 573,132**
	LIABILITIES	
CURRENT LIABILITIES		
	Accounts payable	$ 34,384
	Accrued payroll	8,819
	Accrued and withheld payroll taxes	2,059
	Accrued and withheld employee benefits	15,385
	Due to Grantor	6,938
	Copier Lease	2,989
LONG TERM LIABILITIES		
	Copier Lease	4,234
	Net Other Post-Employment Benefits Liability	251,934
	Net Pension Liability	452,543
	Total Liabilities	779,285
DEFERRED INFLOWS OF RESOURCES		
	Deferred inflows of resources – other post-employment benefits	18,540
	Deferred inflows of resources - pension	98,845
	Total deferred inflows of resources	117,385
	TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	**$ 896,670**
	NET POSITION	
Net Investment in Capital Assets		$ 16,298
Unrestricted(Deficit)		(339,836)
	TOTAL NET POSITION	**$ (323,538)**

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Government -Wide Activities
Primary Government-wide:				
Transportation planning	$337,740	$122,749	$404,904	$(55,585)
Transit studies and capital planning	6,331	3,307	8,451	(1,187)
Community development projects	81,209	28,412	61,206	(48,415)
Environmental protection projects	34,498	16,463	4,819	(46,142)
Economic development projects	124,189	19,503	70,000	(73,692)
Total Primary Government-Wide	$583,967	$190,434	$549,380	$(225,021)
General Government-wide Revenues:				
Miscellaneous				47,052
Administrative Revenues				52,557
Per Capita Revenues				106,425
West Virginia Development Office				31,363
Total General Government-Wide Revenues				237,397
CHANGES IN NET POSITION				12,376
NET POSITION, BEGINNING OF YEAR - Restated (see Note 4)				(335,914)
NET POSITION, ENDING				$(323,538)

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
GENERAL FUND
BALANCE SHEET
JUNE 30, 2018

		General Fund
	CURRENT ASSETS	
ASSETS		
Cash and cash equivalents		$156,952
Accounts receivable		68,470
Grants receivable		49,918
Prepaid		8,894
	Total Assets	284,234
TOTAL CURRENT ASSETS		**$284,234**
	LIABILITIES AND FUND BALANCE	
LIABILITIES		
Accounts payable		$34,384
Accrued and withheld employee benefits		15,385
Accrued payroll		8,819
Accrued and withheld payroll taxes		2,059
	Total Liabilities	$60,647
DEFERRED INFLOWS OF RESOURCES		
Grants not available		$7,019
Other deferred inflows		6,938
	Total Deferred Inflows	$13,957
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		$74,604
FUND BALANCE		
Non-spendable Fund balance		$8,894
Fund balance – unassigned		200,736
	Total fund balance	209,630
TOTAL LIABILITIES AND FUND BALANCE		**$ 284,234**

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF GENERAL FUND BALANCE
TO NET POSITION OF GOVERNMENT-WIDE ACTIVITIES
JUNE 30, 2018

General Fund Balance	$209,630
Amounts reported for government-wide activities in the statement of net position are different because:	
Capital assets of $117,272 net of accumulated depreciation of $93,750 and capital lease of $7,224 are not financial resources and therefore, are not reported in the fund.	16,298
Net OPEB liability of $251,934 less net deferred inflows/outflows of OPEB expense of $1,965 are not financial resources and therefore, are not reported in the fund.	(249,969)
Net pension liability of $425,543 less net deferred inflows/outflows of pension expense of $146,027 are not financial resources and therefore, are not reported in the fund.	(306,516)
Deferred inflows due to unrecognized revenue from non-exchange transactions are not reported in the fund.	7,019
Net Position of Government-Wide Activities	$(323,538)

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

		General Fund
REVENUES		
Federal grants and projects		$503,712
State financial assistance		70,010
Per capita dues		106,425
Administrative revenues		52,557
Local assistance		47,050
	Total revenues	$779,754
EXPENDITURES		
Transportation planning		$465,103
Transit studies and capital planning		9,603
Community development projects		109,230
Environmental protection projects		50,779
Economic development projects		143,179
	Total expenditures	$777,894
	NET CHANGES IN FUND BALANCE	1,860
GENERAL FUND BALANCE, BEGINNING		207,770
GENERAL FUND BALANCE, ENDING		$209,630

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2018

Net Change in Fund Balances - General Fund	$1,860
Amounts reported for government-wide agency in the statement of activities are different because:	
General agency funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense in the Government-wide Agency.	16,359
This is the amount of depreciation in the current period not recognized as expense in the general fund.	(10,366)
General agency funds report debt payments as expenditures. This is the amount of debt payments in the current period.	2,989
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenue in the funds: Grants	7,019
Pension expense reported in the Government –wide Agency that are not financial resources and therefore are not reported in the fund.	(11,395)
OPEB expense reported in the Government –wide Agency that are not financial resources and therefore are not reported in the fund.	5,910
Change in Net Position of Government-wide Activities	$12,376

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

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

1) General Fund

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description	Estimated Lives
Equipment	5 to 15 years

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution or may deposit surety company bonds which when executed shall be for an amount in excess of collateral requirements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations 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.

Budgets **-** Budgets for the commission 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.

Deferred Outflows/Inflows of Resources - In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Commission, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding, for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Commission, deferred inflows of resources include pension, OPEB and unavailable revenue. Unavailable revenue is reported only on the Government-wide balance sheet, and represents receivables which will not be collected within the available period. The details of these unavailable revenues are identified on the Reconciliation of Total General Fund Balances to Net Position of Government-wide Activities on page 14. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 8 and 12)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Accrued Liabilities and Long-term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, government-wide payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from government-wide funds are reported as a liability in the general fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

NOTE 2 - DEPOSITS AND INVESTMENTS

Concentration of Credit Risk – Cash deposits and cash on hand consist of the following at June 30, 2018:

	Balance	Bank Carrying Balance
PNC	$ 156,852	$ 156,870
Petty Cash	100	-
Total cash deposits and cash on hand	$ 156,952	$ 156,870

The Commission's funds at PNC Bank are insured up to the FDIC limit. At June 30, 2018, 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, 2018, is as follows:
Government-wide Activities:

Equipment Balance of July 1, 2017		$ 100,914
	Additions	16,357
	Balance June 30, 2018	117,271
Accumulated Depreciation		
	Prior Years	(83,384)
	Current Year	(10,366)
	Balance June 30, 2018	(93,750)
Net Capital Assets June 30, 2018		$ 23,521

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Direct and Indirect depreciation expense for the period ending June 30, 2018, included in the Government-wide expenses consist of the following:

Transportation planning	$ 8,072
Transit studies and capital planning	71
Community development projects	801
Environmental protection projects	372
Economic development projects	1,050
Total	$ 10,366

NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLE RESTATEMENT OF NET POSITION

For fiscal year 2018, the Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 85, *Omnibus 2017*, Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* and related guidance from (GASB) Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).*

GASB 85 addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)). These changes were incorporated in the Commission's fiscal year 2018 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2017:

Net position June 30, 2017	$ (80,035)
Adjustments:	
Net OPEB Liability	(255,879)
Restated Net Position June 30, 2017	$(335,914)

The Commission made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 5 - GRANTS RECEIVABLE

Grants receivable of $49,918 is comprised of amounts due from the following governmental entities at June 30, 2018:

WV Department of Transportation – FHWA (Federal)	$ 19,924
WV Department of Transportation – FHWA (State)	2,492
Ohio Department of Transportation – FHWA (Federal)	18,411
Ohio Department of Transportation – FHWA (State)	3,624
Ohio Department of Transportation – FTA Transit (Federal)	123
Ohio Department of Transportation – FTA Transit (State)	15
EPA – Brownsfield Assessment Grant – BHJ Coalition	591
Ohio Rideshare	4,738
Total grants receivable	$ 49,918

NOTE 6 - DEFERRED INFLOWS OF RESOURCES – GENERAL FUND

Deferred Inflows of Resources represents unavailable revenues from non-exchanges transactions at June 30, 2018:

ARC Calendar Year 2018	$ 6,938
Total deferred inflows – Other	$ 6,938
WV Department of Transportation	$ 7,019
Total deferred inflows – Grants	$ 7,019
Total deferred inflows – General Fund	$ 13,957

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, 2018. 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 OTHER POST-EMPLOYMENT BENEFIT PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The net OPEB liability represents the Commission's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB 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 these estimates 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 OPEB are financed; however, the Commission does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust. The 401(h) Health Care Trust (401(h) Trust) was a pre-funded trust that provided health care funding for eligible members of the Traditional Pension Plan and the Combined Plan through December 31, 2015, when plans funded through the 401(h) Trust were terminated. The Voluntary Employees' Beneficiary Association Trust (VEBA Trust) accumulated funding for retiree medical accounts for participants in the Member-Directed Plan through June 30, 2016. The 401(h) Trust and the VEBA Trust were closed as of June 30, 2016 and the net positions transferred to the 115 Trust on July 1, 2016. Beginning in 2016, the 115 Trust, established under Internal Revenue Code (IRC) Section 115, is the funding vehicle for all health care plans.

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB). Periodically, OPERS modifies the health care program design to improve the ongoing solvency of the plans. Eligibility requirements for access to the OPERS health care options have changed over the history of the program for Traditional Pension Plan and Combined Plan members. 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 or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector). The Connector, a vendor selected by OPERS, assists eligible retirees in the selection and purchase of Medicare supplemental coverage through the Medicare market. Retirees that purchase supplemental coverage through the Connector may receive a monthly allowance in their HRA that can be used to reimburse eligible health care expenses.

Member and employer contribution rates as a percent of covered payroll for 2017 is 10% for the employee and 14% for the employer. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to healthcare was 1.0% for 2017.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2015. The Commission's proportion of the net OPEB liability was based on the Commission's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS/OPEB
Proportion of the Net OPEB Liability	
Prior Measurement Date	0.002320%
Proportion of the Net OPEB Liability	
Current Measurement Date	0. 002320%
Change in Proportionate Share	0.000000%
Proportionate Share of the Net	
OPEB Liability	$251,934
OPEB Expense	($2,507)
Increase /(Decrease) in the proportionate	
share percentage 2017 to 2018	.000000%

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

At June 30, 2018, the Commission reported deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	**OPERS/OPEB**
Differences between projected and actual investment earnings	$18,767
Commission contributions subsequent to the measurement date	1,738
Total Deferred Outflows of Resources	$20,505
Deferred Inflows of Resources	
Changes of assumptions	$18,344
Difference between expected and actual experience	196
Total Deferred Inflows of Resources	$ 18,540

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	
2019	($4,172)
2020	(4,172)
2021	3,881
2022	4,690
Total	$ 227

Actuarial Assumptions –OPERS

The OPEB liability was determined by OPERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year. Refer to the following table for the balances as of December 31, 2017. Additional information on the changes in net OPEB liability and contribution information can be found in the Required Supplementary Information of the Financial Section in OPERS 2017 CAFR.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of 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 health care costs for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2016, rolled forward to the measurement date of December 31, 2017.

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2016
Rolled-Forward Measurement Date	December 31, 2017
Experience Study	5-Year Period Ended December 31, 2015
Actuarial Cost Method	Individual entry age normal
Actuarial Assumptions	
Single Discount Rate	3.85%
Investment Rate of Return	6.50%
Municipal Bond Rate	3.31%
Wage Inflation	3.25%
Projected Salary Increases	3.25%-10.75% (includes wage inflation at 3.25%)
Health Care Cost Trend Rate	7.5% initial, 3.25% ultimate in 2028

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

A single discount rate of 3.85% was used to measure the OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

The following table presents the OPEB liability calculated using the single discount rate of 3.85%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
As of December 31, 2017	1% Decrease 2.85%	Single Discount Rate 3.85%	1% Increase 4.85%
Commissions' proportionate share of the Net OPEB Liability	$334,706	$251,935	$184,974

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2018 is 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

Sensitivity of Net OPEB Liability to Changes in the Health Care Cost Trend Rate			
As of December 31, 2017	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Commissions' proportionate share of the Net OPEB Liability	$334,706	$251,935	$184,974

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2017 and the long-term expected real rates of return.

NOTE 8 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT PLANS (CONTINUED)

Asset Class	Target Allocation for 2017	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	1.88 %
Domestic Equities	21.00	6.37
REITs	6.00	5.91
International Equities	22.00	7.88
Other Investments	17.00	5.39
TOTAL	**100.00 %**	**4.98 %**

The long-term expected rate of return on health care 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.

During 2017, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 15.2% for 2017.

NOTE 9 – LONG-TERM OBLIGATIONS

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

	Principal Outstanding 7/1/2017	Additions	Reductions	Principal Outstanding 6/30/2018	Amount Due in One Year
Governmental Activities					
Net Pension Liability:	$315,269	183,372	46,098	$452,543	$0,000
Net OPEB Liability:	255,879	23,459	27,404	251,934	0,000
Capital Leases	10,213		2,989	7,224	2,989
Total Governmental Activities	*$581,361*	*206,831*	*76,491*	*$711,701*	*$2,989*

Long-Term Liabilities
There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Note 8 and 12.

NOTE 10 – ECONOMIC DEPENDENCY

Approximately 74 percent of the Commission's revenue is from the Federal and State Grant revenue as compared to the total agency revenue.

NOTE 11– CONTINGENCIES

The Commission is currently not a party in any litigation.

NOTE 12 – 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.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The Commission employees participate in OPERS Traditional Pension Plan, a defined benefit plan.

The following brief description of the Ohio Public Employees Retirement System (OPERS or System) is provided for general information purposes only. Users of these schedules should refer to the *OPERS 2017 Comprehensive Annual Financial Report* (CAFR) and Chapter 145 of the Ohio Revised Code (R.C. Chapter 145) for more complete information.

a. Organization—OPERS is a cost-sharing, multiple-employer public employee Retirement system comprised of three separate pension plans: Traditional Pension Plan, a defined benefit plan; the Combined Plan, a combination defined benefit/defined contribution plan; and the Member-Directed Plan, a defined contribution plan. All state and local governmental employees in Ohio, except those covered by one of the other state or local retirement systems in Ohio, are members of OPERS. New public employees (those who establish membership in OPERS on or after January 1, 2003) have 180 days from the commencement of employment to select membership in one of the three pension plans. Contributions to OPERS are effective with the first day of the member's employment. Contributions made prior to the member's plan selection are maintained in the Traditional Pension Plan and later transferred to the plan elected by the member, as appropriate.
As of December 31, 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust. (See Note 8)

OPERS is administered in accordance with Chapter 145 of the Ohio Revised Code (ORC). OPERS is not part of the state of Ohio financial-reporting entity, nor is OPERS a component unit of the state of Ohio. Responsibility for the organization is vested in the OPERS Board of Trustees (Board); there is no financial interdependency with the state of Ohio. The Board is the governing body of OPERS, with responsibility for administration and management. Of the Board, seven members are elected by the group they represent: the retirees (two representatives), employees of the state, employees of counties, employees of municipalities, non-teaching employees of state colleges and universities and miscellaneous employees. The remaining four members are appointed or designated by position. The Governor, General Assembly and the Treasurer of the state of Ohio each appoint a representative. The Director of the Ohio Department of Administrative Services completes the Board.

The Board appoints the Executive Director, an actuary, investment consultants and other consultants necessary for the transaction of business. The Board meets monthly and receives no compensation, but is reimbursed for necessary expenses.

All state and local governmental employees, except those covered by another state retirement system in Ohio or the Cincinnati Retirement System, are required to become contributing members of OPERS when they begin public employment unless they are exempted or excluded as defined by the ORC. For actuarial purposes, employees who have earned sufficient service credit (60 contributing months) are entitled to a future pension benefit from OPERS. Employer, employee and retiree data as of December 31, 2017 can be found in the OPERS 2017 CAFR.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Pension Benefits—All benefits of the System, and any benefit increases, are established by the legislature pursuant to ORC Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension Plan and Combined Plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board. Additional information on OPERS health care coverage can be found in the OPERS 2017 CAFR.

Age-and-Service Defined Benefits—Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and Combined Plan. Members were impacted (to varying degrees) by the changes based on their transition group. Three transition groups (A, B and C) were designed to ease the transition for key components of the pension plan changes. Members who were eligible to retire under law in effect prior to SB 343, or 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 will be eligible to retire no later than 10 years after January 7, 2013, are included in transition Group B.

Group C included 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 2017 CAFR for additional details. 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 or more years of service credit. Group C for State and Local is eligible for retirement benefits 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 service 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 2017 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 benefits 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.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the IRC. OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the IRS to allow OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations. Monthly QEBA payments start when the total amount of benefits received by the recipients exceeds the IRC limit each year. The portion of the benefit in excess of the IRC 415(b) limit is paid out of the QEBA and taxed as employee payroll in accordance with IRS regulations.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The benefit formula for the defined benefit component of the plan for State and Local members in transition Groups A and B applies a factor of 1.0% to the member's FAS for the first 30 years of service. A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits—Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the purchase of a monthly defined benefit annuity from OPERS (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Early Retirement Incentive Plan (ERIP)—Employers under OPERS may establish an early retirement incentive plan by purchasing service credit for eligible employees. To be eligible, employees must be able to retire under existing plan provisions after the purchase of the additional credit. Electing employers must contribute all such additional costs as are actuarially determined to fund the benefit. Such a plan, if adopted by an employer, must be offered to a minimum of 5% of covered employees, and may provide for the purchase of up to five years of service credit, limited to a maximum of 20% of the member's total service credit. Members electing to participate in the employer's plan must retire within 90 days of receiving notice of the purchased service or the service is withdrawn and refunded to the employer. Employers offering an ERIP may choose to pay the full cost of the additional benefits at the time the plan is adopted, or elect an installment payment plan. The required contributions are recognized in full by OPERS in the year in which the payment plan becomes effective. In addition, interest is charged annually on the unpaid balance.

Disability Benefits—OPERS administers two disability plans for participants in either the Traditional Pension Plan or Combined Plan. Members in the plan as of July 29, 1992, could elect, by April 7, 1993, coverage under either the original plan or the revised plan. All members who entered the System after July 29, 1992, are automatically covered under the revised plan. Under the original plan, a member who becomes disabled before age 60 and has completed 60 contributing months is eligible for a disability benefit. Benefits are funded by the employee and employer contributions and terminate if the member is able to return to work. The revised plan differs in that a member who becomes disabled at any age with 60 contributing months will be eligible for disability benefits until a determined age. The benefit is funded by reserves accumulated from employer contributions. After the disability benefit ends, the member may apply for a service retirement benefit or a refund of contributions, which are not reduced by the amount of disability benefits received.

Survivor Benefits—Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits if the deceased employee had at least one and a half years of service credit with the plan, and at least one quarter year of credit within the two and one-half years prior to the date of death. ORC Chapter 145, updated by HB 520, specifies the dependents and the conditions under which they qualify for survivor benefits. Qualified survivors of Law Enforcement and Public Safety officers are eligible for survivor benefits immediately upon employment.

Other Benefits—Once a benefit recipient retiring under the Traditional Pension Plan
has received benefits for 12 months, current law provides for an annual cost-of-living adjustment. The cost-of-living adjustment is calculated on the member's base pension benefit at the date of retirement and is not compounded. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, current law provides for a 3% cost-of-living adjustment. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 and Combined Plan.

Money Purchase Annuity—Age-and-service retirees who become re-employed in an OPERS-covered position must contribute the regular contribution rates, which are applied towards a money purchase annuity. The money purchase annuity calculation is based on the accumulated contributions of the retiree for the period of reemployment, and an amount of the employer contributions determined by the Board. Upon termination of service, members over the age of 65 can elect to receive a lump-sum payout or a monthly annuity. Members under age 65 may leave the funds on deposit with OPERS to receive an annuity benefit at age 65, or may elect to receive a refund of their employee contributions made during the period of reemployment, plus interest.

Refunds—Members who have terminated service in OPERS-covered employment may file an application for refund of their account. The ORC requires a two-month waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's rights and benefits in OPERS.

Refunds processed for Traditional Pension Plan members include the member's accumulated contributions, interest and any qualifying employer funds. A Combined Plan member's refund may consist of member contributions for the purchase of service plus interest, qualifying employer funds, and the value of their account in the defined contribution plan consisting of member contributions adjusted by the gains or losses incurred based on their investment selections.

c. Contributions—The OPERS funding policy provides for periodic member and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contributions were approved based upon the recommendations of the System's actuary. All contribution rates were within the limits authorized by the ORC.

Member and employer contribution rates, as a percent of covered payroll, were the same for each covered group across all three plans for the year ended December 31, 2017. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Member contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method.

This formula determines the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the members during the current service year; and (2) the prior service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time. The annual commission contributions reported for the Traditional Plan for December 31, 2017 were $45,398. The Commission satisfied 100% of the contribution requirements.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

The following indicates the member and employer contribution rates as a percent of covered payroll for each division for 2017. With the assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment health care coverage. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0% for 2017. The member and employer contribution rates for the State and Local divisions for 2017 set at the maximums authorized by the ORC of 10% and 14%, respectively. The rates for 2018 remain the same.

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2017, the Board adopted the contribution rates recommended by the actuary. The contribution rates were included in a funding policy adopted by the Board in October 2013, and are certified periodically by the Board as required by the ORC.

As of December 31, 2017, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 18 years.

d. Participating Employers—The System serves almost 3,700 employer units and approximately 3,230 participating employers. The number of employer units exceeds the number of participating employers as some employers report multiple divisions or agencies. The number of participating employers is more in-line with GASB Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, presentation of a primary government and its component units as one employer. Employer child codes (as referenced in the Schedule of Employer Allocations) are assigned to each unit to distinguish member and employer contributions into four divisions: State, Local, Public Safety or Law Enforcement.

The plans selected by members are unknown to employers and are maintained solely by OPERS. The plan level information is essential to employers implementing GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,* and Statement No. 71 (GASB 71), *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68,* as only defined benefit plans are subject to the new financial reporting requirements. Defined contribution and OPEB plans do not fall under the requirements of GASB 68 applicable to the reporting and disclosure regarding defined benefit net pension liabilities and associated activity. GASB 68 defines additional disclosure requirements for defined contribution plans.

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 2016 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.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

The net pension liability for the Traditional Plan was measured as of December 31, 2017, and the total pension liability were determined by an actuarial valuation as of that date. Refer to the following table for the balance of the Traditional Plan as of December 31, 2017. The Commission's proportion of the net pension liability was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

		OPERS
Proportionate Share of the Net Pension Liability		0.002452%
Proportion of the Net Pension Liability	$	452,543
Pension Expense		$61,575

Increase /(Decrease) in the proportionate share percentage 2017 to 2018	(0.000203) %
Increase /(Decrease) in the proportionate share percentage 2016 to 2017	0.000121 %
Increase /(Decrease) in the proportionate share percentage 2015 to 2016	(0.000304) %

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

At June 30, 2018, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	198,893
Changes in proportionate share	16,767
Difference between Commission contributions and proportionate share of contributions	0
Commission contributions subsequent to the measurement date	19,919
Difference between expected and actual experience	7,163
Changes in employer proportionate share of contributions	2,130
Total Deferred Outflows of Resources	$244,872
Deferred Inflows of Resources	
Differences between expected and actual experience	$872
Changes in proportion and differences	
Changes in proportionate share	46,218
Changes in assumptions	49,776
Difference between Commission contributions and proportionate share of contributions	1,979
Total Deferred Inflows of Resources	$98,845

Deferred outflows of resources related to pension resulting from Commission contributions subsequent to the measurement date in the amount of $19,919 is reported and will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of 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, 2017, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information	Traditional Pension Plan
Valuation Date	December 31, 2017
Experience Study	5 Year Period Ending December 31, 2015
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Investment Rate of Return	7.50%
Wage Inflation	3.25%
Projected Salary Increases	3.25% - 10.75% (includes wage inflation at 3.25%)
Cost of Living Adjustments	Pre 01/07/2013 retirees 3.00% Simple Post - 01/07/2013 retirees 3.00% Simple thru 2018, then 2.15% Simple

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled Mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables. The discount rate used to measure the total pension liability was 7.5% for the Traditional Pension Plan, Combined Plan and Member-Directed 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 the Traditional Pension Plan, Combined Plan and Member-Directed 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 7.5%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

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

Employers' Net Pension Liability/(Asset)	1% Decrease	Current Discount Rate	1% Increase
as of December 31, 2017	6.50%	7.50%	8.50%
Traditional Pension Plan	$691,370	$452,543	$253,534

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 2017 and the long-term expected real rates of return.

NOTE 12 – DEFINED BENEFIT PENSION PLANS (CONTINUED)

Asset Class	Target Allocation for 2017	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.20 %
Domestic Equities	19.00	6.37
Real Estate	10.00	5.26
Private Equity	10.00	8.97
International Equities	20.00	7.88
Other Investments	18.00	5.26
Total	100.00 %	5.66 %

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 is 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. During 2017, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 16.82% for 2017.

Average Remaining Service Life

GASB 68 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in pension expense over the average remaining service life of all employees provided with benefits through the pension plan (active and inactive). This is to consider these differences on a pooled basis, rather than an individual basis, to reflect the expected remaining service life of the entire pool of employees with the understanding that inactive employees have no remaining service period. As of December 31, 2017, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.9546 years, for the Combined Plan was 9.3216 years, and for the Member-Directed Plan was 10.1908 years.

NOTE 13 - RISK MANAGEMENT

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

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

NOTE 14 -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 authority in 2 CFR Part 200. 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 FY2018.

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 FY2018 fringe benefit costs were allocated at a provisional rate of 75.57% of direct and indirect labor costs. The actual fringe benefit cost rate was 72.15%. 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 FY2018 indirect costs were allocated at a provisional rate of 126.80% of direct labor costs. The actual indirect cost rate was 97.87%. 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
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of the Commission's 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 last four fiscal years:

	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS
Proportionate share of the net pension liability	0.002452%	0.002655%	0.002534%	0.002838%
Proportion of the Net Pension Liability	$ 452,543	$ 315,269	$ 430,414	$ 342,162
Covered Payroll	$ 306,118	$ 359,006	$ 315,405	$ 336,722
Proportionate share of the net pension liability as a percentage fo its' covered-payroll	147.83%	87.81%	136.46%	97.96%
Plan fiduciary net position as a percentage of the total pension liability	84.66%	93.80%	131.86%	86.45%

Information prior to 2015 is not available, the schedule will be built prospectively.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Commission Pension Contributions

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

	2018 OPERS	2017 OPERS	2016 OPERS	2015 OPERS
Contractually required contributions	$ 45,323	$ 41,948	$ 47,312	$ 53,365
Contributions in relation to the contractually required contributions	$ (45,323)	$ (41,948)	$ (47,312)	$ (53,365)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Commission's covered payroll	$ 310,935	$ 335,443	$ 326,430	$ 336,722
Contributions as a percentage of the covered payroll	14.58%	12.51%	14.49%	15.85%

Information prior to 2015 is not available, the schedule will be built prospectively.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of the Commission's Proportionate Share of the Net OPEB Liability

The Commission's proportionate share of the Net OPEB Liability of the Ohio Public Employers' Retirement System for the last two fiscal years:

	2017 OPEB	2016 OPEB
Proportionate share of the net OPEB liability	0.002320%	0.002320%
Proportion of the Net OPEB Liability	$ 251,935	$ 255,879
Covered Payroll	$ 306,118	$ 359,096
Proportionate share of the net OPEB liability as a percentage of its' covered Payroll	81.02%	76.13%
Plan fiduciary net position as a percentage of the total OPEB liability	54.14%	0.00%

Information prior to 2016 is not available, the schedule will be built prospectively.

Schedule of the Commission OPEB Contributions

The Commission's contributions to the Other Post-Employment Benefits for the last two fiscal years:

	2018 OPEB	2017 OPEB
Contractually required contributions	$ 3,482	$ 3,764
Contributions in relation to the contractually required contributions	$ (3,482)	$ (3,764)
Contribution deficiency (excess)	$ -	$ -
Commission's covered payroll	$ 310,935	$ 336,106
Contributions as a percentage of the covered payroll	1.12%	1.12%

Information prior to 2017 is not available, the schedule will be built prospectively.

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 Assumptions
Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total liability as presented below:

Investment Rate of Return:
Fiscal year 2016 8.00 percent
Fiscal year 2017 7.50 percent

Wage Inflation:
Fiscal year 2016 3.75 percent
Fiscal year 2017 3.25 percent

Projected Salary Increases:
Fiscal year 2016 4.25 – 10.05 percent
Fiscal year 2017 3.25 – 10.75 percent

Long-term expected real rates of return:

	2017	2016	2015
Fixed Income	2.20	2.75	2.31
Domestic Equities	6.37	6.34	5.84
Real Estate	5.26	4.75	4.25
Private Equity	8.97	8.97	9.25
International Equities	7.88	7.95	7.40
Other Investments	5.26	4.92	4.59

As of December 31, 2017, the average of the expected remaining service lives of all employees calculated by our external actuaries for the Traditional Pension Plan was 2.9546 years.

Effective January 7, 2013, Senate Bill (SB) 343 modified components of the Traditional Pension Plan and Combined Plan. Members were impacted (to varying degrees) by the changes based on their transition group. Three transition groups (A, B and C) were designed to ease the transition for key components of the pension plan changes.

Prior to 2000, payments to OPERS benefit recipients were limited under Section 415(b) of the IRC. OPERS entered into a Qualified Excess Benefit Arrangement (QEBA) with the IRS to allow OPERS benefit recipients to receive their full statutory benefit even when the benefit exceeds IRC 415(b) limitations.

For those who retired prior to January 7, 2013, current law provides for a 3% cost-of-living adjustment. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Prior to January 1, 2015, the System provided comprehensive health care coverage to retirees with 10 or more years of qualifying service credit and offered coverage to their dependents on a premium deduction or direct bill basis. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage through the Connector, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses.

Wellness incentives are no longer awarded starting with the 2017 plan year.

Ohio Public Employers' Retirement System – Other Post-Employment Benefits

For fiscal year 2018, the Commission adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB).

As of December 2016, OPERS maintains one health care trust, the 115 Health Care Trust (115 Trust), which was established in 2014 to initially provide a funding mechanism for a health reimbursement arrangement (HRA), as the prior trust structure could not support the HRA. In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate health care assets into the 115 Trust.

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 or 30 years of qualifying service at any age. Beginning 2016, Traditional Pension Plan and Combined Plan retirees enrolled in Medicare A and B were eligible to participate in the OPERS Medicare Connector (Connector).

OPERS participated in several federal programs that subsidized or provided reimbursements to the 115 Trust. Medicare Part D is a voluntary federal program that reimburses 28% of the cost of prescription drugs for Medicare beneficiaries in the United States. During 2011, OPERS also implemented a prescription drug plan (PDP) in which the System received a direct subsidy from the Centers for Medicare & Medicaid Services based on the risk score of each eligible retiree. The implementation of the PDP reduced the number of claims available for submission through the Medicare Part D program. The PDP was terminated December 31, 2015 as OPERS transitioned the Medicare-eligible retirees to the Connector and the program was no longer needed. OPERS no longer participates in the Medicare Part D program as of December 31, 2016. OPERS will receive the final distribution of funds from the Medicare Part D program for calendar year 2016 in 2018.

The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was 1.0% in 2017. The 2018 allocation is expected to be 0.0% for health care funding, and expected to continue at that rate thereafter.

This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate.

GASB 75 requires that changes arising from differences between expected and actual experience or from changes in actuarial assumptions be recognized in OPEB expense over the average remaining service life of all employees provided with coverage through the health care plans (active and inactive). As of December 31, 2017, the average of the expected remaining service lives of all employees calculated by our external actuaries was 3.0916 years.

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
BUDGET COMPARISON
JUNE 30, 2018

	Budget FY 2018	Actual FY 2018	Difference (Over) Under Budget
Wages paid for time worked:			
Direct labor	$ 195,967	$ 194,578	$ 1,389
Indirect labor	101,206	76,304	24,902
TOTAL LABOR - BASE FOR FRINGE ALLOCATION	$ 297,173	$ 270,882	$ 26,291
Fringe Benefits			
Annual / Vacation	$ 24,230	$ 21,091	$ 3,139
Sick leave	6,725	4,089	2,636
Holiday	15,236	13,684	1,552
Other leave	-	1,189	(1,189)
Subtotal Fringe Benefit Wages	46,191	40,053	6,138
Other Fringe Benefits			
Medicare	$ 4,979	$ 4,509	$ 470
Employment services	788	254	534
Life	1,328	1,551	(223)
Hospitalization	116,613	100,083	16,530
OPERS	50,539	45,578	4,961
Vision / Dental / Wellness	5,750	3,294	2,456
Workers' Compensation	687	117	570
Subtotal Other Fringe Benefits	180,684	155,386	25,298
TOTAL FRINGE BENEFITS	$ 226,875	$ 195,439	$ 31,436
Indirect Costs			
Salaries – indirect only	$ 101,206	$ 76,304	$ 24,902
Fringe benefits for indirect salaries	77,265	55,052	22,213
Travel Expenses	3,500	629	2,871
Equipment - Expensed	3,500	458	3,042
Indirect - Depreciation Expense	5,000	5,659	(659)
Computer and Internet Repairs Exp	2,500	1,235	1,265
Supplies & Materials	2,500	2,725	(225)
Copier Expense	200	200	-
Legal Expense	200	-	200
Finacial Consultant & Publications Exp	600	537	63
Software & Training	600	804	(204)
Rent Expense	36,000	36,000	-
Publications Expense	600	268	332
Postage Expense	2,100	2,311	(211)
Telephone Expense	3,600	3,081	519
Membership Expense	600	402	198
Advertising Exp	500	401	99
Insurance Expense	3,600	3,277	323
Miscellaneous Expenses	2,000	1,100	900
TOTAL INDIRECT COSTS	$ 246,071	$ 190,443	$ 55,628

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF RATES
FRINGE, INDIRECT & COMBINED RATES 1998 TO 2018

Year	Fringe Rate	Indirect Rate	Combined Rate	Annual Change
1998	0.5735	1.0312	1.6047	0%
1999	0.5792	1.2882	1.8674	16%
2000	0.5655	1.0942	1.6597	(11)%
2001	0.5651	1.3223	1.8874	14%
2002	0.6311	1.0838	1.7149	(9)%
2003	0.7325	1.3683	2.1008	23%
2004	0.7020	1.2558	1.9578	(7)%
2005	0.7553	1.3806	2.1359	9%
2006	0.6415	1.4890	2.1305	0%
2007	0.6620	1.1954	1.8574	(13)%
2008	0.6314	1.2770	1.9084	3%
2009	0.7228	1.3266	2.0494	7%
2010	0.6797	1.4322	2.1119	3%
2011	0.6524	1.2188	1.8712	(11)%
2012	0.7030	1.1899	1.8929	1%
2013	0.7430	1.3117	2.0547	10%
2014	0.6304	1.2932	1.9236	2%
2015	0.6409	1.2359	1.8768	(9)%
2016	0.6364	1.1237	1.7601	(6)%
2017	0.7188	1.0995	1.8183	3%
2018	0.7215	0.9787	1.7002	(7)%
2019 projected	0.7227	0.9618	1.6845	(1)%

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF INDIRECT AND FRINGE COMPARISON 2017 TO 2018
INDIRECT COSTS

	2017	2018	change	% change
TOTAL INDIRECT COSTS	**$216,661**	**$190,443**	**($26,418)**	**-12.19%**
Personnel	92,560	76,304	(16,256)	-18%
Fringe Benefits	66,532	55,052	(11,480)	-17%
Advertising	339	401	62	100%
Computer / Internet Repairs	2,001	1,235	(766)	-38%
Depreciation	4,827	5,659	832	17%
Equipment Cost	1,109	458	(651)	-59%
Financial Consultant / Publications	537	537	0	0%
Insurance	3,237	3,277	40	1%
Membership	418	402	(16)	-4%
Miscellaneous	1,460	1,100	(360)	-25%
Postage	2,053	2,311	258	13%
Publications & printing	416	268	(148)	-36%
Rent	33,000	36,000	3,000	9%
Software / Training	416	804	388	93%
Supplies	1,947	2,725	778	40%
Telephone	3,312	3,081	(231)	-7%
Travel	2,497	629	(1,868)	-75%
INDIRECT COST RATE	**109.95%**	**97.87%**	**-12.08%**	**-10.99%**

	2017	2018	change	% change
TOTAL FRINGE BENEFITS	**$208,179**	**$195,439**	**($12,740)**	**-6.12%**
Salary Benefits	46,485	40,053	(6,432)	-14%
Payroll Benefits	11,547	9,725	(1,822)	-16%
Health Insurance	99,967	100,083	116	0%
Ohio PERS	50,180	45,578	(4,602)	-9%
FRINGE BENEFIT RATE	**71.88%**	**72.15%**	**0.27%**	**0.38%**

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF AGENCY MANAGEMENT EXPENDITURES
INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2018

	Allocation of Indirect Costs	Unallocated Agency Management	Total Agency Management
Personnel	$ 76,304	-	$ 76,304
Fringe benefits	55,052	-	55,052
Advertising	401	-	401
Audit and personal service contracts	-	9,155	9,155
Dues and publications	1,207	1,250	2,457
Equipment costs	7,352	-	7,352
Insurance	3,277	-	3,277
Postage	2,311	-	2,311
Rent	36,000	-	36,000
Supplies	2,925	62	2,987
Telephone	3,081	-	3,081
Travel	629	99	728
Other	1,904	3,834	5,738
Total, Government-Wide Level	$ 190,443	$ 14,400	$ 204,843
Depreciation			(5,659)
Indirect capital asset additions			(1,302)
Total, Fund Level			$ 197,882

INDIRECT COST RATE COMPUTATION

Total Indirect Costs	190,443 =	97.87%
Direct Personnel Costs	194,578	

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2018

Salary benefits		$ 40,053	
Payroll benefits:			
Medicare	4,509		
Unemployment insurance	254		
Workers' Compensation	117		
		$ 4,880	
Other benefits:			
Health insurance	100,083		
Life insurance	1,551		
Dental/Vision/Wellness	3,294		
Ohio PERS	45,578		
		$ 150,506	
Total fringe benefits			$195,439

FRINGE BENEFIT RATE COMPUTATION

$$\frac{\text{TOTAL FRINGE BENEFITS}}{\text{TOTAL PERSONNEL COSTS}} \quad \frac{\$\ 195,439}{\$\ 270,881} = 72.15\%$$

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES - FOR THE YEAR ENDED JUNE 30, 2018

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
Federal Highway Administration									
Highway Planning and Construction									
Ohio Department of Transportation	46,784	5,848	5,848	58,480	19,852	14,323	19,429	4,876	58,480
Ohio Department of Transp -Toll Credit STP	20,945	-	-	20,945	6,473	4,670	6,335	3,467	20,945
OH Short Range	19,801	2,475	2,478	24,754	9,093	6,561	8,899	202	24,755
OH TIP	7,829	978	980	9,787	3,253	2,347	3,184	1,004	9,788
OH Surveillance	49,721	6,214	6,225	62,160	21,706	15,661	21,244	3,549	62,160
WV Department of Transportation	37,516	4,690	4,690	46,896	15,403	11,113	15,075	5,305	46,896
WV Short Range	15,545	1,944	1,944	19,433	7,138	5,150	6,985	159	19,432
WV TIP	6,146	769	769	7,684	2,553	1,842	2,499	789	7,683
WV Surveillance	39,036	4,882	4,882	48,800	17,041	12,295	16,678	2,786	48,800
Ohio Long Range Finance Element									
Ohio Department of Transportation	22,444	2,805	2,810	28,059	9,910	7,150	9,698	1,300	28,058
WV Department of Transportation	17,621	2,204	2,204	22,029	7,781	5,614	7,615	1,020	22,030
Ohio Rideshare									
Ohio Department of Transportation	88,708	-	-	88,708	1,173	846	1,148	85,542	88,709
Federal Transit Administration									
Transit Technical Studies: CPG Transit Planning									
Ohio Department of Transportation	2,281	285	285	2,851	1,052	759	1,030	11	2,852
WV Department of Transportation	5,230	654	654	6,538	2,326	1,678	2,277	257	6,538
Appalachian Regional Commission									
Appalachian Local Development District									
07/01/2017 - 12/31/2017	27,599	14,637	13,776	56,012	15,727	11,942	20,048	8,295	56,012
01/01/2018 - 12/31/2018	17,907	16,726	366	34,999	13,268	8,978	8,330	4,423	34,999
U. S. Department of Commerce									
Partnership Planning Program									
WV Economic Development	70,000	-	70,000	140,000	19,927	14,377	19,503	86,193	140,000
U. S. Environmental Protection Agency									
Brownsfield Assessment Coalition	3,063	-	3,633	6,696	1,020	736	997	3,943	6,696

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

	REVENUE RECORDED				*EXPENDITURES*				
	Federal	**State**	**Local**	**Total**	**Personnel**	**Fringe Benefits**	**Indirect**	**Other**	**Total**
Projects and Programs									
Hazard Mitigation Plan Update	11,775	3,925	94	15,794	35	25	34	15,700	15,794
Brooke Co Sewer IIB	-	-	9,290	9,290	3,440	2,482	3,368	-	9,290
Mahan Lane Phase II	-	-	674	674	-	-	-	-	-
Washington Pike PSD Water	-	-	4,697	4,697	1,740	1,255	1,703	-	4,698
Weirton Water	-	-	9,351	9,351	3,463	2,499	3,389	-	9,351
BDC Coalition	-	-	4,858	4,858	1,693	1,221	1,658	286	4,858
New Cumberland Sewer	-	-	4,760	4,760	1,763	1,272	1,725	-	4,760
Weirton Transit	-	-	10,924	10,924	4,046	2,919	3,959	-	10,924
Hammond IJDC Water	-	1,756	-	1,756	650	469	637	-	1,756
Follansbee Water	-	-	2,480	2,480	918	663	899	-	2,480
Follansbee Sewer	-	-	342	342	127	92	123	-	342
Tomlinson Run Water	-	-	2,350	2,350	870	628	852	-	2,350
New Cumberland Water	-	-	3,070	3,070	1,137	820	1,113	-	3,070
TOTALS	509,951	70,792	174,434	755,177	194,578	140,387	190,434	229,107	754,506

BROOKE-HANCOCK-JEFFERSON
METROPOLITAN PLANNING COMMISSION
NOTE TO SCHEDULE OF CONTRACT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018

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, 2018. 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.

Perry & Associates
Certified Public Accountants, A.C.

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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*

January 22, 2019

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, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 22, 2019, wherein we noted the Commission adopted Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We did note a certain matter not requiring inclusion in this report that we reported to the Commission's management in a separate letter dated January 22, 2019.

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 & Associates CPA's A.C.

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

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OHIO AUDITOR OF STATE
KEITH FABER

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
MARCH 26, 2019