

**Independent Auditors' Report  
and Related Financial Statements**

**MID-OHIO VALLEY REGIONAL PLANNING AND  
DEVELOPMENT COUNCIL**

**For the Year Ended June 30, 2015**

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
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**For the Year Ended June 30, 2015**

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**BOARD MEMBERS**  
**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**

Mr. Scottie Westfall	Calhoun County Commission
Mr. Mitch Morrison	Jackson County Commission
Mr. Jay Powell	Pleasants County Commission
Mr. Samuel C. Rogers	Ritchie County Commission
Mr. Gary Mace	Roane County Commission
Mr. Eric Vincent	Tyler County Commission
Mr. Bob Tebay	Wood County Commission
Mr. Bob Gunnoe	Wirt County Commission

Zachary Hupp, Mayor	Town of Grantsville
Carolyn Rader, Mayor	City of Ripley
John Fitzpatrick, Mayor	City of Belmont
Michael Ihle, Mayor	Town of Ravenswood
L. Paul Ingram, Mayor	City of St. Marys
Steve Lewis, Mayor	Town of Ellenboro
Robert E. Lawther	Town of Auburn
Robert Riggs, Mayor	City of Pennsboro
Gary Haugh, Mayor	Town of Cairo
Terry Williams, Mayor	City of Spencer
Alan Haught, Mayor	Town of Harrisville
Sharlene Dood, Mayor	Town of Pullman
Andrew McKenzie, Mayor	Town of Reedy
Charles Delauder, Mayor	Town of Middlebourne
Darla Steele, Mayor	Town of Friendly
Bill Rice, Mayor	City of Sistersville
Penny McVay, Mayor	Town of Elizabeth
Jimmy Colombo, Mayor	City of Parkersburg
John D. Hopkins, Mayor	City of Paden City
Jean Ford, Mayor	City of Williamstown
William V. Summers, Jr., Mayor	Town of North Hills
Randy Rapp, Mayor	City of Vienna

**BOARD MEMBERS**  
**MID-OHIO VALLEY REGIONAL AREA DEVELOPMENT CORPORATION**  
**Component Unit of**  
**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**

Jim McGoldrick, Director  
Diane Ludwig, Director  
Steve Parks, Director  
Mark Whitley, Director  
Mark Whitley, Director  
Eric Peters, Director  
Cam Huffman, Director

Pleasants County Development MOVRC  
Little Kanawha Area Development Corporation  
Ritchie County Economic Development MOVRC  
Roane County Development MOVRC  
Jackson County Development MOVRC  
Tyler County Development MOVRC  
Wood County Development MOVRC

Mr. Richard Hayhurst  
Mr. Todd Ritchie  
Mr. Carl Reynolds  
Dr. Rhonda Tracy  
Mr. Rickie Yeager  
Mr. Mike Nelson  
Mr. Tim Bailey  
Ms. Jill Parsons  
Joe Matthews, Mayor  
Mr. Bill Boyle  
Mr. Eldon Haught  
Mr. Don Stephens  
Mr. Rick Anderson

Alcan  
WV Labor Training Trust Fund  
WVU Parkersburg  
Development Director, City of Parkersburg  
Pleasants County Bank  
KS of West Virginia Company, Ltd.  
MOV Chamber of Commerce  
City of Marietta  
DuPont  
Alfab, Inc.  
Wolf Pen Farms

# **Stephen P. Glaser CPA**

1021 7<sup>th</sup> Avenue  
St. Albans, WV 25177

## **INDEPENDENT AUDITOR'S REPORT**

To Board of Directors  
Mid-Ohio Valley Regional Planning and Development Council  
Parkersburg, West Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental type activities, the business type activities and the aggregate remaining fund information of Mid-Ohio Valley Regional Planning and Development Council (MOVRC) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise MOVRC's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental and business type activities, and the aggregate remaining fund information of MOVRC, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion information on pages 6-9 of this report be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

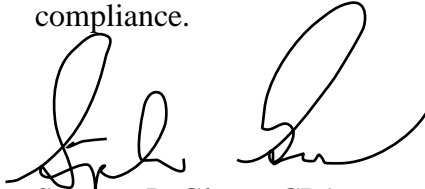
The schedules of functional expenditures for programs for Government and business type programs, functional expenditures for programs with different reporting other than June 30, 2015, for indirect costs charged to programs awards, for comparative of revenues, expense, net position for FY 2015 and FY 2014, and for expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the MOVRC's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Such other information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2015, on our consideration of the MOVRC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MOVRC's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read 'S. P. Glaser', written in a cursive style.

Stephen P. Glaser, CPA  
St. Albans, West Virginia  
December 20, 2015

**Mid-Ohio Valley Regional Planning and Development Council**  
**Management Discussion and Analysis**  
**June 30, 2015**

Mid-Ohio Valley Regional Planning and Development Council (MOVRC) provides this Management Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the Agency's financial statements which follow.

**2015 Financial Highlights**

10 loans closed for \$758,032, over \$2,765,312 leveraged, 51 jobs created/retained

385 Retired Senior Volunteers serving 63,289 hours

113 Foster Grandparents serving 115,884 hours

109 Senior Companions serving 113,930 hours

Fee for Service Administration Projects started, overseeing \$ 9.4 million total project costs serving over 1622 customers. Fee for service projects are mostly water system, sewer system and hazard mitigation projects.

**Using this Annual Report**

The annual report consists of a series of financial statements and other information, as follows:

**Management's Discussion and Analysis** introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.

The Basic Financial Statements consist of a **Statement of Net Assets** and a **Statement of Activities** for both the Governmental and Business Type Activities and a **Statement of Cash Flows** for the Business Type Activities. The governmental activities are the MOVRC programs for community and economic development, transportation, senior program and business type programs. The business type activities are the MOVADC operations of rentals and two loan programs.

**Notes to the Financial Statements** provide additional information essential to a full understanding of the data provided in the basic financial statements.

**Required Supplementary Information** further explains and supports the financial statements with a comparison of the Agency's budget for the year.

**Other Supplementary Information** provides detailed information about the grant program and federal expenditures. The MOVRC has several grant programs that operate on a difference grant cycle than the agency's fiscal year so those grant periods are reported in a separate schedule. In addition, the Schedule of Expenditures of Federal Awards provides details of the various federal programs managed through the agency.



## Reporting the Agency's Financial Activities

The Statement of Net Assets and Statement of Activities present the Agency's net assets. Over time, increases or decreases in the Agency's net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

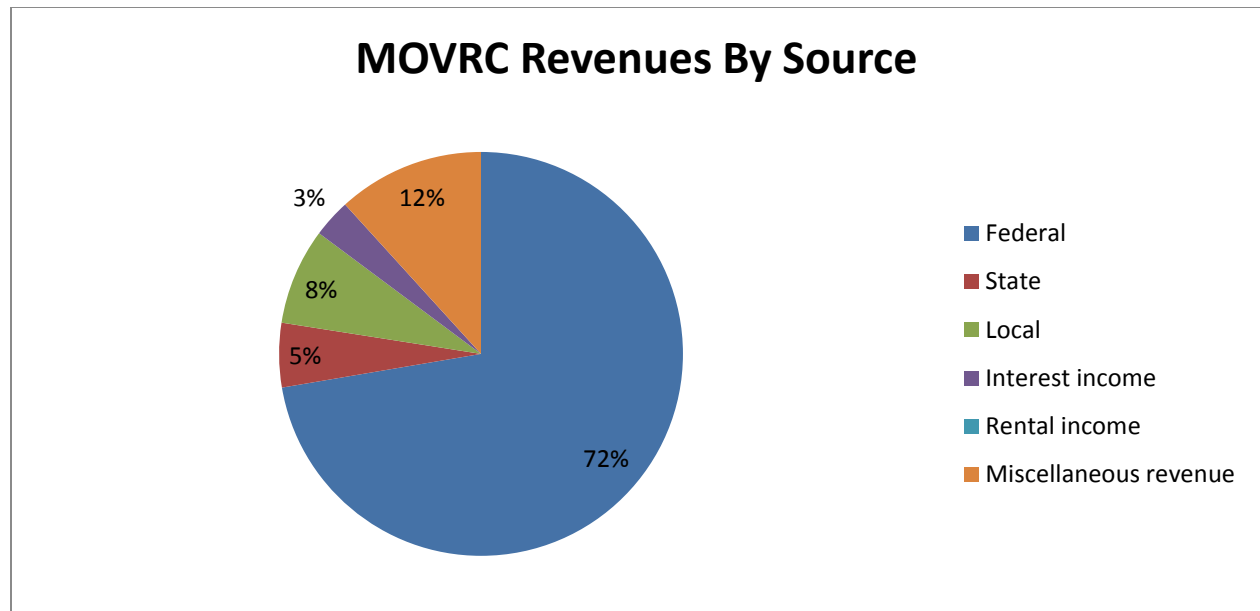
The Statement of Net Position and Statement of Activities are divided into two kinds of activities:

- Governmental type Activities include social services (senior programs), community and economic development, transportation, and business programs.
- Business Type Activities include commercial rentals and loan programs.

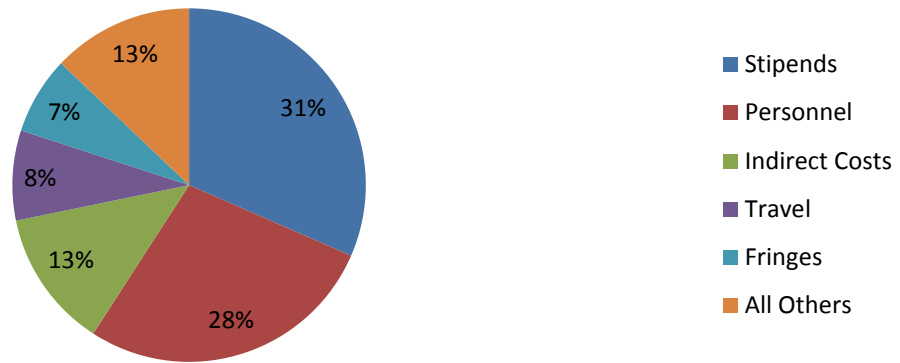
Comparing Governmental revenue in FY15 of \$2,188,313 and FY14 \$2,214,036 Governmental revenue decreased \$25,725 largely due to decrease in ARC-RLF funds and completion of the Broadband Deployment Grant and Ford Foundation Grant. Comparing the expenditures for the Governmental for FY15 indicates an increase in expenditures of \$200,293 from FY14. The majority of the increase was due to increases of \$95,258 in FFS project costs, \$65,181 in WWC Interstate Planning Commission due to extra work plan elements in Ohio and \$27,918 in loan fund bad debt adjustments.

The business activities saw an increase in revenues for FY15 of \$12,758 from FY14. The increase was due to a \$19,698 increase in interest \$1,602 increase in rental income and \$8,542 decrease in loan fees. The business activities expenditures were higher in FY15 by \$38,973 due to increases in loan bad debt adjustments and interest expense.

The pie charts on the following page show, in percentages, MOVRC's total activity receipts by source and MOVRC's total active expenditures by function.



## MOVRC Major Expenditure by Type



### **Economic Factors and Budget Impact**

Many factors impact the operating budget as the revenues are largely derived from direct and sub-grantee grant awards. Loan volume has historically been volatile but our loan pools have performed very well. The requests for funding from existing businesses for expansion have been trending higher than the requests for new start-ups. The Fee for Service (FFS) projects are directly tied to the availability of funding from state, federal and local sources for infrastructure development. That funding has become increasingly difficult to obtain. However the WV Department of Health and Human Resources has contracted with the various regional councils across the state to assist with a Source Water Protection Plan. These projects were the result of new legislation due to the Freedom Industries spill that impacted the drinking water of thousands of residents around Charleston WV in 2014. The FY15 budget was modified once throughout the year for changes in grant activities as grants are awarded throughout the year for changes in grant activities as grants are awarded throughout the year depending on the various federal agencies funding cycles.

### **Contacting the Agency's Financial Management**

This financial report is designed to provide our grantors, creditors, member government and citizens with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives and manages. If you have any questions regarding this report or need additional financial information contact: Executive Director, PO Box 247, Parkersburg, WV 26102.

**Mid-Ohio Valley Regional Planning and Development Council**  
**Statement of Net Position**  
**FYE June 30, 2015**

	MOVRC <u>Governmental</u>	MOVADC <u>Business</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 208,587	\$ 499,096	\$ 707,683
Restricted cash	714,866	617,378	1,332,244
Receivables, federal and state	142,278	-	142,278
Receivables, local, interest, and other	119,025	11,210	130,235
Notes receivable , net of allowance for loan losses	1,992,379	3,578,717	5,571,096
Other assets	2,341	-	2,341
Capital assets not being depreciated	-	291,897	291,897
Capital assets being depreciated, net	-	413,391	413,391
Total assets	<u>3,179,475</u>	<u>5,411,691</u>	<u>8,591,166</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>			
Accounts payable	144,178	17,246	161,424
Payroll expense due to (from) others, net	2,003	-	2,003
Compensated absences	24,613	-	24,613
Accrued expenses	68,122	-	68,122
Unearned revenue SSBCI loan program	-	1,000,000	1,000,000
Notes Payable			
Current liabilities:			
Due within one year	-	158,708	158,708
Noncurrent liabilities:			
Due in more than one year	-	2,011,892	2,011,892
Total liabilities	<u>238,916</u>	<u>3,187,846</u>	<u>3,426,762</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	<u>371,254</u>	<u>-</u>	<u>371,254</u>
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	-	705,289	705,289
Restricted for loan programs	2,386,233	2,036,706	4,422,939
Unrestricted	183,074	(518,149)	(335,075)
Total net position	<u>\$ 2,569,307</u>	<u>\$ 2,223,846</u>	<u>\$ 4,793,153</u>

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

**Mid-Ohio Valley Regional Planning and Development Council**  
**Statement of Activities and Changes in Net Position**  
**June 30, 2015**

	MOVRC Governmental	MOVADC Business	Total
<b>REVENUES:</b>			
Federal	\$ 1,516,349	\$ -	\$ 1,516,349
State	75,952	-	75,952
Local	118,721	-	118,721
Interest income	75,306	119,524	194,830
Rental income	-	91,646	91,646
Miscellaneous revenue	401,984	4,343	406,327
Total revenues	<u>2,188,313</u>	<u>215,513</u>	<u>2,403,826</u>
<b>EXPENDITURES:</b>			
Advertising and marketing	6,660	-	6,660
Allocation to component unit	(27,119)	-	(27,119)
Contract services	149,566	4,875	154,441
Dues, fees and memberships	3,050	-	3,050
Equipment rental and repair	-	10,476	10,476
Indirect costs	267,561	672	268,233
Insurance	4,700	10,681	15,381
Interest	-	23,036	23,036
Consumables and printing	28,192	-	28,192
Other and in-kind	249,558	74,276	323,834
Personnel	564,657	1,268	565,925
Personnel benefits	137,679	324	138,003
Postage	1,121	-	1,121
Provision for loan losses	(14,376)	38,367	23,991
Stipends	600,670	-	600,670
Telephone	2,873	-	2,873
Training/conference/workshops	19,435	-	19,435
Travel	159,315	-	159,315
Depreciation	-	31,584	31,584
Total expenditures	<u>2,153,545</u>	<u>195,559</u>	<u>2,349,104</u>
Operating income	<u>34,768</u>	<u>19,954</u>	<u>54,722</u>
Net Position balances at beginning of year	<u>2,534,539</u>	<u>2,203,892</u>	<u>4,738,431</u>
Net Position balances at end of year	<u>\$ 2,569,307</u>	<u>\$ 2,223,846</u>	<u>\$ 4,793,153</u>

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

**Mid-Ohio Valley Regional Planning and Development Council**  
**Statement of Cash Flows**  
**June 30, 2015**

	<u>MOVRC</u> <u>Governmental</u>	<u>MOVADC</u> <u>Business</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 2,083,247	192,001
Cash paid to suppliers and employees	<u>(2,082,363)</u>	<u>(125,609)</u>
Net cash used by operating activities	884	66,392
Cash flows from financing activities:		
Proceeds from deferred inflows	104,708	60,000
Payments on long-term debt	-	(133,040)
Transfers from restricted assets	<u>(80,635)</u>	<u>85,809</u>
Net cash provided by investing activities	<u>24,073</u>	<u>12,769</u>
Increase in cash and cash equivalents	24,957	79,161
Cash and cash equivalents, beginning of year	<u>183,630</u>	<u>419,935</u>
Cash and cash equivalents, end of year	<u>\$ 208,587</u>	<u>\$ 499,096</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating Gain (loss)	\$ 34,768	19,954
Depreciation and amortization	-	31,584
Changes in operating assets and liabilities:		
(Increase) decrease in grant receivables	(125,460)	(1,136)
(Increase) decrease in due from other funds	51,301	59,619
(Increase) decrease in notes receivable	(31,277)	(49,122)
(Increase) decrease in other assets	370	-
Increase (decrease) in accounts payable	<u>71,182</u>	<u>5,494</u>
Net cash used by operating activities	<u>\$ 884</u>	<u>\$ 66,392</u>

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

**Mid-Ohio Valley Regional Planning and Development Council**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Mid-Ohio Valley Regional Planning and Development Council (MOVRC) was established in 1971 as a political subdivision of the State of West Virginia under Chapter 8, Article 25, of the Code of West Virginia, to promote regional planning and economic development in Region V, which consists of Calhoun, Jackson, Pleasants, Ritchie, Roane, Tyler, Wirt and Wood Counties in the State of West Virginia.

On July 1, 1981, Mid-Ohio Valley Area Development Corporation (MOVADC) was incorporated as a 501(c)4 exempt organization and an affiliate of MOVRC. MOVADC owns property currently rented for economic development purposes in Region V. MOVADC shares offices, facilities, and support staff with MOVRC. Shared indirect costs are allocated between the entities based on direct labor plus benefit costs or negotiated amounts for specific services.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

MOVRC prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the MOVRC are described below.

The MOVRC applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Board (GASB) pronouncements, in which case GASB prevails.

The MOVRC changed its method of accounting for the following items in order to comply with accounting principles accepted (GAAP) in the United States of America. Adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The objective of this statement is to improve decision-usefulness of information in employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability will also be enhanced through new note disclosure and required supplementary information.

**A Financial Reporting Entity**

MOVRC complies with GASB Statement No. 14, *"The Financial Reporting Entity."* This statement establishes standards for defining and reporting on the financial reporting entity. It defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

MOVADC and MOVRC are governed by an identical board of directors and commonly controlled through a single administration. Although it is legally separate from MOVRC, MOVADC is reported as a blended component unit as if it were part of the primary government.

As required by accounting principles generally accepted in the United States of America, these financial statements present MOVRC, the primary government, with its component unit MOVADC. As discussed below, this component unit is included in the MOVRC reporting entity due to the significance of its operational and financial relationship with MOVRC.

## **B Basis of Presentation**

The MOVRC general operating fund is used to account for all financial resources. The fund is treated as a proprietary type fund and is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Unrestricted grants and non-loan interest may be used for either operations or capital expenditures at the discretion of the MOVRC are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

## **C Budgetary compliance and accountability**

MOVRC is required to legally adopt and submit an annual budget, in accordance with its bylaws and the laws of the State of West Virginia, to the governmental units which contribute to the financing of MOVRC. The general operating fund comprises the individual grant programs included in the “work plan” and is controlled through the use of individual grant budgets. All budgets are prepared in accordance with accounting principles generally accepted in the United States of America.

## **D. Cash and Cash Equivalents**

Cash and cash equivalents include deposits with original maturities of less than three months and consist of interest and non-interest earning deposits with local financial institutions.

## **E. Use of Estimates**

The preparation of basic financial statements in conformance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates. A significant estimate that is particularly susceptible to change in the near term is the determination of the allowance for loan losses.

## **F. Loans Receivable and Allowance for Loan Losses**

Interest income on loans is accrued based on the principal amount outstanding. The accrual of interest on loans is discontinued when, in the opinion of management, there is an indication that the borrower may be unable to meet payments as they become due. Any interest previously accrued on a loan placed on nonaccrual status is reversed and charged against current earnings. Interest on such loans is thereafter included in earnings to the extent actually received.

MOVADC uses the allowance method to provide for loan losses. The provision for loan losses charged to operating expense is based on loan loss experience and other factors which, in management's judgment, deserve current recognition in estimating possible losses.

Other factors considered by management include specific loan evaluations, growth and composition of the loan portfolio, the relationship of the allowance for loan losses to outstanding loans, trends in delinquencies, and economic conditions. Assets acquired in loan foreclosure transactions are recorded at the lower of cost or estimated net realizable value, with any write-downs charged to the allowance for loan losses.

## **G Capital Assets**

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the lives of individual assets are not capitalized.

Capital assets of the government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	31 1/2 or 40
Office equipment	3 or 5

## **H Compensated Absences**

Employees earn paid time off (PTO) based on years of service which, up to specific limits, is fully vested when earned. An employee, upon termination of employment from MOVRC or MOVADC, is paid for any unused PTO. PTO balances can be carried over for one year up to 70 hours. The liability associated with accrued and vested PTO as of June 30, 2015 is \$24,613 that was an increase of \$3,969 of the June 30, 2014 balance of \$20,644.

## **I Fiscal Agency**

MOVRC serves as the fiscal agent for the Mid-Ohio Valley Workforce Investment Corporation, an independently governed non-profit organization.

## **J Components of Net Position**

- The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the



debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**K Deferred Inflows of Resources:**

Grant revenue resulting from exchange transactions is recognized when the related costs are incurred. Deferred Inflow consist of funds that MOVRC has received but for which it has not incurred related expenses and/or satisfied the requirements of the grant agreements. The grants funds are typically received in advance due to scheduled funding per the grant awards. The amounts are a combination of federal, state and local funds. As of June 30, 2015 our deferred inflow of resources balance was \$371,254. The majority of which was attributable to the; Foster Grandparent Program \$24,371; WWWW program \$164,974; RSVP Program \$47,719; Senior Companion Program \$21,203; FFS-Source Water Protection Plan \$20,512 and Ritchie County RBEG \$48,050.

**L Income Taxes**

MOVRC operates as a governmental agency and is exempt from federal and state income taxes. MOVADC is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)4.

MOVADC is current with their 990 tax filing. However, these filing are subject for review for three (3) after their filing. Thus, a positional for unrecorded tax liability exists but is considered to be immaterial to the financial statements.

**NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH**

At June 30, 2015, MOVRC’s and MOVADC’s unrestricted cash and cash equivalents and restricted cash were as follows:

Unrestricted cash and cash equivalents:

	Carrying Value	Bank Balance
MOVRC	\$ 208,587	\$ 208,587
MOVADC	<u>499,096</u>	<u>499,468</u>
Total cash and cash equivalents	<u>\$ 707,683</u>	<u>\$ 708,055</u>

Restricted cash:

	Carrying Value	Bank Balance
MOVRC federal grant and loan programs	\$ 714,866	\$ 724,405
MOVADC loan programs	<u>617,378</u>	<u>611,641</u>
Total restricted cash	<u>\$1,332,244</u>	<u>\$1,336,046</u>

At June 30, 2015, MOVRC's and MOVADC's unrestricted cash and cash equivalents and restricted cash were deposited in financial institutions and insured by federal depository insurance and collateralized obligations.

In accordance with applicable individual grant agreements, each grant program maintains a separate account with a financial institution.

### NOTE 3. NOTES RECEIVABLE

MOVRC and MOVADC administer loan programs for Federal and State agencies.

MOVRC's notes receivable consists of receivables for loans made under the following agencies loan programs: United States Department of Commerce, Economic Development Administration Revolving Loan Fund Program (EDA-RLF); Appalachian Regional Commission Revolving Loan Fund (ARC-RLF); and the West Virginia Development Office Micro Loan Program (MLF).

MOVRC's notes receivable by loan program at June 30, 2015, was as follows:

	<u>EDA-RLF</u>	<u>ARC-RLF</u>	<u>Foundation</u>	<u>MLF</u>	<u>RBEG</u>	<u>Total</u>
Notes receivable	\$ 452,102	\$ 1,316,590	\$ 22,231	\$ 317,519	\$ 25,197	\$ 2,133,640
Less allowances	<u>9,607</u>	<u>76,530</u>	<u>-</u>	<u>55,124</u>	<u>-</u>	<u>141,261</u>
Notes receivable, net	<u>\$ 442,496</u>	<u>\$ 1,240,060</u>	<u>\$ 22,231</u>	<u>\$ 262,395</u>	<u>\$ 25,197</u>	<u>\$ 1,992,379</u>

MOVADC's notes receivable consists of receivables for loans made under the United States Department of Agriculture, Rural Business Cooperative Service Intermediary Relending Program (IRP) and the State Small Business Credit Initiative (SSBCI) and Other MOVADC loans. MOVADC's notes receivable at June 30, 2015, was as follows:

	<u>SSBCI</u>	<u>IRP</u>	<u>ADC</u>	<u>Total</u>
Notes receivable	\$ 966,572	\$ 2,848,267	\$ 8,553	\$ 3,823,391
Less allowances	<u>-</u>	<u>244,674</u>	<u>-</u>	<u>244,674</u>
Notes receivable, net	<u>\$ 966,572</u>	<u>\$ 2,603,593</u>	<u>\$ 8,553</u>	<u>\$ 3,578,717</u>

The allowances for loan losses reflects the adjustments made by management regarding their estimate of the allowance for loan losses based on a historical experience rate as a percentage of total loans receivable and expected losses based on loan status and collateral position. The allowances for loan losses for the various loan programs are as stated above:

#### NOTE 4. CREDIT RISK

Financial instruments which potentially expose the financial reporting entity to significant concentrations of credit risk consist principally of cash and cash equivalents and loans receivable under the U.S. Department of Agriculture, Rural Business - Cooperative Service Intermediary Relending Program, the U.S. Department of Commerce, Economic Development Administration Revolving Loan Fund, Appalachian Regional Commission Revolving Loan Fund, State Small Business Credit Initiative and the West Virginia Development Office Micro Loan Program. MOVRC and MOVADC make IRP, EDA-RLF, ARC-RLF, SSBCI and MLF loans to qualified businesses in the west central part of West Virginia known as Region V. Collateral is required and on-going credit evaluations and account monitoring activities are utilized to minimize the risk of loss.

#### NOTE 5. CAPITAL ASSETS

MOVADC owns land it purchased for \$4,300,000 in 2003 which is not included on the Statement of Net Assets. The land was purchased with grant funds and leased for \$1 per year to the Polymer Alliance Zone who assumed responsibility for creating an Electronic Recycling Center which was the purpose of the grant. The grant agreement stipulates MOVADC is to retain title to the land until the bonds sold to raise the money for the project are repaid. MOVADC and the Polymer Alliance Zone decided to account for the lease on the books of the Polymer Alliance Zone

MOVADC's capital asset activity for the year ended June 30, 2015, was as follows:

	Totals			Totals
MOVADC	<u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Capital assets not being depreciated:				
Land	<u>\$ 291,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,897</u>
Capital assets being depreciated:				
Buildings	<u>1,054,757</u>	<u>-</u>	<u>-</u>	<u>1,054,757</u>
Office equipment	<u>58,419</u>	<u>-</u>	<u>-</u>	<u>58,419</u>
Total capital assets being depreciated	<u>1,113,176</u>	<u>-</u>	<u>-</u>	<u>1,113,176</u>
Less accumulated depreciation for:				
Buildings	<u>612,761</u>	<u>30,030</u>	<u>-</u>	<u>642,791</u>
Office equipment	<u>55,440</u>	<u>1,554</u>	<u>-</u>	<u>56,994</u>
Total accumulated depreciation	<u>668,201</u>	<u>31,584</u>	<u>-</u>	<u>699,785</u>
Total capital assets being depreciated, net	<u>444,975</u>	<u>(31,584)</u>	<u>-</u>	<u>413,391</u>
Total business-type activities capital assets, net	<u>\$ 736,872</u>	<u>\$ (31,584)</u>	<u>\$ -</u>	<u>\$ 705,288</u>

#### NOTE 6. LONG-TERM DEBT

MOVADC's long-term debt at June 30, 2015, was as follows:

Note payable (#2019) to U.S. Department of Agriculture, Rural Business administration (RBA), payable in annual installments of \$84,900, including interest at 1%, final payment due May 19, 2019, secured by all proceeds and products of the Intermediary Relending Program loan balance of \$306,490.

Note payable (#2031) to U.S. Department of Agriculture, RBA, payable in annual installments of \$31,900 including interest at 1%, final payment due January 25, 2031, secured by all proceeds and products of the Intermediary Relending Program loan balance of \$462,932.

Note Payable (#2038) to U.S. Department of Agriculture, RBA, payable in 27 annual installments of \$31,838 including interest at 1%, interest only due the first three years, final payment due June 18, 2039, secured by all proceeds and products of the Intermediary Relending Program loan balance of \$651,178

Note Payable (#2041) to U.S. Department of Agriculture, RBA, payable in 27 annual installments of \$31,838 including interest at 1%, interest only due the first three years, final payment due September 15, 2043, secured by all proceeds and products of the Intermediary Relending Program loan balance of \$750,000.

MOVADC's long-term debt activity for the year ended June 30, 2015, was as follows:

	Balance <u>'July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>'June 30, 2015</u>	<u>One Year</u>
MOVDC					
USDA 2019	\$ 387,515	\$ -	\$ 81,025	\$ 306,490	\$ 81,835
USDA 2031	489,871	-	26,939	462,932	27,271
USDA 2038	676,253	-	25,075	651,178	25,326
USDA 2041	750,000	-	-	750,000	-
Notes payable	<u>\$ 2,303,639</u>	<u>\$ -</u>	<u>\$ 133,040</u>	<u>\$ 2,170,600</u>	<u>\$ 134,433</u>

Maturities of notes payable for each of the next five years and thereafter are as follows:

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 134,432	\$ 21,706	\$ 156,138
2017	160,114	20,362	180,476
2018	161,716	18,761	180,477
2019	137,542	17,143	154,685
2020	79,811	15,768	95,579
2021-2025	411,203	66,707	477,910
2026-2030	432,204	45,731	477,935
2031-2035	316,735	22,317	339,051
2036-2040	243,620	11,070	254,690
2041-2043	93,222	1,866	95,088
Total	<u>\$ 2,170,600</u>	<u>\$ 241,430</u>	<u>\$ 2,255,891</u>

## NOTE 7. LEASES

MOVRC leases its administrative office space from MOVADC under a lease agreement subject to annual renewal. Total rent and lease expense for the year ended June 30, 2015, was \$47,245.

## **NOTE 8. RETIREMENT PLAN**

MOVRC has a defined contribution plan which provides retirement benefits for all eligible employees. During the year ended June 30, 2015, 2014, and 2013, MOVRC contributed \$49,322, \$46,645 and \$49,203, respectively, to the plan which is equal to five and one-half percent of eligible employees' qualified compensation.

## **NOTE 9. RISK MANAGEMENT**

MOVRC is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; employee health and life coverage; and natural disasters. Policies have been obtained with Travelers and Cincinnati Insurance, the Public Employees Insurance Agency (PEIA), and Brickstreet Mutual Insurance Company (BI).

PEIA is a public entity risk pool that provides coverage for employee and dependent health, life and prescription drug insurance. BI provides coverage for work related accidents and is considered an insurance enterprise fund.

With MOVRC participation in the PEIA and BI, MOVRC has effectively obtained coverage for health and job related injuries for its employees. In exchange for payment of premiums to PEIA and BI MOVRC has transferred its risks related to health coverage and job related injuries of employees.

## **NOTE 10 SUBSEQUENT EVENTS**

Certain events that occur between the date of the financial statements and the date they are issued must be disclosed. There are two ways that subsequent events may affect the financial statements and they are:

- Recognized events are those that existed at the date of the financial statement and provide additional information available prior to the issuance of the financial statements.
- Non-recognized events are those that provide additional information prior to the issuance of the financial statements but did not exist at the date of the financial statement.

The MOVRC is not aware of any recognized or unrecognized subsequent events that should be reported in the financial statements.

**OTHER SUPPLEMENTARY INFORMATION**

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expenditures for Program- Government**  
**FYE June 30, 2015**

	Appalachian Regional Commission	EECBG	Economic Dev. Admin.	Fee For Service	Foster Grandparents	ARC - Revolving Loan Fund
<b>REVENUES:</b>						
Federal	\$ 79,909	-	\$ 70,000	\$ -	\$ 510,267	\$ -
State	39,199	-	-	-	-	-
Local	-	-	22,480	-	-	-
Interest	85	-	9	-	7	46,576
Other	-	-	-	194,207	65,804	2,500
Total revenues	<u>119,193</u>	<u>-</u>	<u>92,488</u>	<u>194,207</u>	<u>576,078</u>	<u>49,076</u>
<b>EXPENDITURES:</b>						
Advertising and marketing	1,806	-	214	2,672	-	-
Allocation to Component Unit	-	-	-	-	-	13,233
Contract services	-	-	-	18,483	350	-
Dues, fees and memberships	-	-	-	-	-	-
Indirect costs	28,308	-	20,545	47,355	27,560	-
Insurance	-	-	-	-	909	-
Consumables and printing	1,199	-	6,324	22	2,579	-
Other and in-kind	430	-	-	-	81,381	101
Personnel	54,299	-	39,691	89,484	93,419	-
Personnel benefits	15,638	-	10,321	29,518	14,105	-
Postage	302	-	182	136	-	-
Provision for loan losses	-	-	-	-	-	(3,544)
Stipends	-	-	-	-	307,093	-
Telephone	1,396	-	129	1,349	-	-
Training/conference/workshops	2,625	-	-	-	-	-
Travel	13,190	-	15,083	5,188	48,682	-
Total expenditures	<u>119,193</u>	<u>-</u>	<u>92,488</u>	<u>194,207</u>	<u>576,078</u>	<u>9,789</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	39,287
Program balances at beginning of year	-	2,397	1	(1,728)	-	1,514,804
Program balances at end of year	<u>\$ -</u>	<u>\$ 2,397</u>	<u>\$ 1</u>	<u>\$ (1,728)</u>	<u>\$ -</u>	<u>\$ 1,554,091</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expenditures for Program- Government**  
**FYE June 30, 2015 (continued)**

	EDA- Revolving Loan Fund	Foundation Loan Fund	Micro loan RLF	Loan Pool Admin.	Local	Retired Senior Volunteer Program
<b>REVENUES:</b>						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,026
State	-	-	-	-	-	-
Local	-	-	-	-	54,802	-
Interest	11,174	847	15,241	-	351	22
Other	975	-	75	-	22,752	50,705
Total revenues	<u>12,149</u>	<u>847</u>	<u>15,316</u>	<u>-</u>	<u>77,905</u>	<u>109,753</u>
<b>EXPENDITURES:</b>						
Advertising and marketing	-	-	-	-	-	-
Allocation to Component Unit	3,276	-	4,130	(47,758)	-	-
Contract services	-	-	-	-	70,586	350
Dues, fees and memberships	-	-	-	-	3,050	-
Indirect costs	-	-	-	12,175	46	12,885
Insurance	-	-	-	647	-	2,485
Consumables and printing	-	-	-	88	23	2,376
Other and in-kind	55	-	373	3,873	36,545	58,256
Personnel	-	-	-	22,997	87	25,273
Personnel benefits	-	-	-	5,870	22	4,096
Postage	-	-	-	159	-	-
Provision for loan losses	-	-	(10,831)	-	-	-
Stipends	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Training/conference/workshops	-	-	-	640	-	-
Travel	-	-	-	1,309	1,996	4,032
Total expenditures	<u>3,331</u>	<u>-</u>	<u>(6,329)</u>	<u>-</u>	<u>112,355</u>	<u>109,753</u>
Excess (deficiency) of revenues over (under) expenditures	8,818	847	21,645	-	(34,450)	-
Program balances at beginning of year	<u>350,695</u>	<u>51,639</u>	<u>317,166</u>	<u>-</u>	<u>204,532</u>	<u>-</u>
Program balances at end of year	<u>\$ 359,513</u>	<u>\$ 52,486</u>	<u>\$ 338,811</u>	<u>\$ -</u>	<u>\$ 170,082</u>	<u>\$ -</u>



**Mid-Ohio Valley Regional Planning and Development Council  
Schedule of Functional Expenditures for Program- Government  
FYE June 30, 2015 (continued)**

	Ritchie RBEG	Senior Companion Program	Senior Bingo	WV Assoc. Reg. Plan & Dev.	WWW Interstate Planning Commission	Combined Total
<b>REVENUES:</b>						
Federal	\$ 6,950	\$ 476,169	\$ -	\$ -	\$ 314,027	\$ 1,516,349
State	-	-	-	-	36,753	75,952
Local	-	-	-	-	41,439	118,721
Interest	911	5	-	25	55	75,306
Other	-	38,895	4,921	21,150	-	401,984
Total revenues	<u>7,861</u>	<u>515,070</u>	<u>4,921</u>	<u>21,175</u>	<u>392,274</u>	<u>2,188,313</u>
<b>EXPENDITURES:</b>						
Advertising and marketing	-	-	-	-	1,967	6,660
Allocation to Component Unit	-	-	-	-	-	(27,119)
Contract services	-	942	-	7,390	51,466	149,566
Dues, fees and memberships	-	-	-	-	-	3,050
Indirect costs	-	22,100	-	-	96,587	267,561
Insurance	-	659	-	-	-	4,700
Consumables and printing	-	4,440	-	-	11,140	28,192
Other and in-kind	6,950	56,347	4,921	325	-	249,558
Personnel	-	56,680	-	-	182,727	564,657
Personnel benefits	-	14,013	-	-	44,096	137,679
Postage	-	-	-	14	330	1,121
Provision for loan losses	-	-	-	-	-	(14,376)
Stipends	-	293,578	-	-	-	600,670
Telephone	-	-	-	-	-	2,873
Training/conference/workshops	-	-	-	15,736	434	19,435
Travel	-	66,311	-	-	3,527	159,315
Total expenditures	<u>6,950</u>	<u>515,070</u>	<u>4,921</u>	<u>23,465</u>	<u>392,274</u>	<u>2,153,545</u>
Excess (deficiency) of revenues over (under) expenditures	911	-	-	(2,290)	-	34,767
Program balances at beginning of year	49,594	-	-	45,438	1	2,534,539
Program balances at end of year	<u>\$ 50,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,148</u>	<u>\$ 1</u>	<u>\$ 2,569,306</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expenditures for Program- Business**  
**FYE June 30, 2015**

	Intermediary Relending Program	State Small Business Credit Initiative	Economic Development and Administrative Facility Rental	Totals
<b>REVENUES:</b>				
Federal Grant	\$ -	\$ -	\$ -	\$ -
Interest	96,236	22,533	756	119,524
Rental income	-	-	91,646	91,646
Other	4,343	-	-	4,343
Total revenues	<u>100,578</u>	<u>22,533</u>	<u>92,402</u>	<u>215,513</u>
<b>EXPENDITURES:</b>				
Personnel	-	-	1,268	1,268
Personnel benefits	-	-	324	324
Equipment rental and repair	-	-	10,476	10,476
Utilities	-	-	(111)	(111)
Insurance	-	-	10,681	10,681
Interest	23,036	-	-	23,036
Indirect costs	-	-	672	672
Contract services	-	-	4,875	4,875
Other	27,490	420	46,477	74,388
Provision for loan losses	38,367	-	-	38,367
Depreciation	-	-	31,584	31,584
Total expenditures	<u>88,893</u>	<u>420</u>	<u>106,246</u>	<u>195,559</u>
Changes in net position	<u>\$ 11,685</u>	<u>\$ 22,113</u>	<u>\$ (13,844)</u>	<u>\$ 19,953</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expense for Programs with Different Reporting Fiscal Periods**  
**other than FYE June 30, 2015**

	<u>Appalachian Regional Commission</u>		<u>Economic Development Administration</u>	
	<u>Six Months</u> <u>Ended 12/31/14</u>	<u>Six Months</u> <u>Ended 6/30/15</u>	<u>Nine Months</u> <u>Ended 3/31/15</u>	<u>Three Months</u> <u>Ended 6/30/15</u>
<b>REVENUES:</b>				
Federal	\$ 59,024	\$ 20,885	\$ 52,500	\$ 17,500
State	602	38,597	-	-
Local	-	-	20,516	1,964
Interest	5	80	8	1
Other	-	-	-	-
Total revenues	<u>59,631</u>	<u>59,562</u>	<u>73,024</u>	<u>19,464</u>
<b>EXPENDITURES:</b>				
Advertising and marketing	1,024	782	214	-
Indirect costs	15,127	13,181	16,190	4,355
Consumables and printing	423	776	6,267	57
Other and in-kind	430	(1)	-	-
Personnel	28,110	26,189	31,257	8,434
Personnel benefits	8,924	6,714	8,202	2,119
Postage	98	204	158	24
Telephone	424	972	129	-
Training, conference and workshop:	650	1,975	-	-
Travel	4,421	8,769	10,607	4,476
Total expenditures	<u>59,631</u>	<u>59,562</u>	<u>73,024</u>	<u>19,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expense for Indirect Costs Charged to Programs**  
**FYE June 30, 2015**

	<u>Indirect Costs</u>		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Inc. (Dec.)</u>
Indirect costs:			
Salaries and personnel	\$ 127,454	\$130,667	\$ 3,213
Personnel benefits	44,993	38,243	(6,750)
Audit costs	22,000	13,885	(8,115)
Meals and meeting costs	6,000	4,719	(1,281)
Consultants	2,250	1,036	(1,214)
Dues	1,000	5,460	4,460
Service and miscellaneous	500	491	(10)
Parking	8,640	8,645	5
Travel	15,000	14,584	(416)
Insurance	7,618	7,997	379
Office rental	47,244	47,244	-
Office equipment	2,000	2,414	414
Computer expense	11,000	30,868	19,868
Consumable supplies and printing	9,491	15,543	6,052
Postage expense	1,500	2,337	837
Telephone expense	16,000	14,065	(1,935)
Trash expense	1,536	1,536	-
Cleaning and janitorial	4,500	1,845	(2,655)
Advertising	2,000	3,749	1,749
Utilities	10,000	9,257	(743)
Board of directors	1,000	783	(217)
Training and education	5,100	8,966	3,866
Total indirect before income offsets	<u>346,826</u>	<u>364,332</u>	<u>17,506</u>
Less:			
Contractual income	-	-	-
M&A charge to MOVWIC	92,604	96,039	3,435
MOVADC indirect	-	672	672
Interest income	-	61	61
Total income offsets	<u>92,604</u>	<u>96,772</u>	<u>4,168</u>
Total indirect costs	<u>\$ 254,222</u>	<u>\$ 267,561</u>	<u>\$ 13,339</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Comparative Schedule - Revenues, Expense, Net Position - FY 2015 to FY 2014**  
**FYE June 30, 2015**

	MOVRC			MOVADC		
	Governmental			Business		
REVENUES:	FY 2015	FY 2014	Change	FY 2015	FY 2014	Change
Federal	\$ 1,516,349	\$ 1,601,377	\$ (85,028)	\$ -	\$ -	\$ -
State	75,952	113,952	(38,000)	-	-	-
Local	118,721	170,853	(52,132)	-	-	-
Interest income	75,306	67,728	7,578	119,524	99,826	19,698
Rental income	-	-	-	91,646	90,044	1,602
Miscellaneous revenue	401,984	260,127	141,857	4,343	12,885	(8,542)
Total revenues	<u>2,188,313</u>	<u>2,214,036</u>	<u>(25,723)</u>	<u>215,513</u>	<u>202,755</u>	<u>12,758</u>
EXPENDITURES:						
Advertising and marketing	6,660	7,027	(367)	-	-	-
Allocation to component unit	(27,119)	(28,033)	914	-	28,033	(28,033)
Contract services	149,566	52,528	97,038	4,875	4,875	-
Dues, fees and memberships	3,050	1,700	1,350	-	-	-
Equipment rental and repair	-	-	-	10,476	10,286	190
Indirect costs	267,561	247,019	20,542	672	21	651
Insurance	4,700	4,652	48	10,681	10,312	369
Interest	-	-	-	23,036	19,929	3,107
Consumables and printing	28,192	24,199	3,993	-	-	-
Other and in-kind	249,558	228,140	21,418	74,276	33,743	40,533
Personnel	564,657	538,784	25,873	1,268	40	1,228
Personnel benefits	137,679	138,720	(1,041)	324	10	314
Postage	1,121	823	298	-	4	(4)
Provision for loan losses	(14,376)	(42,294)	27,918	38,367	17,750	20,617
Stipends	600,670	616,084	(15,414)	-	-	-
Telephone	2,873	771	2,102	-	-	-
Training/conference/workshops	19,435	2,397	17,038	-	-	-
Travel	159,315	160,736	(1,421)	-	-	-
Depreciation	-	-	-	31,584	31,584	0
Total expenditures	<u>2,153,545</u>	<u>1,953,252</u>	<u>200,293</u>	<u>195,559</u>	<u>156,587</u>	<u>38,972</u>
Operating income	34,768	260,783	(226,015)	19,954	46,168	(26,214)
Net Position balances at beginning of year	<u>2,534,539</u>	<u>2,273,756</u>	<u>260,783</u>	<u>2,203,892</u>	<u>2,157,724</u>	<u>46,168</u>
Net Position balances at end of year	<u>\$ 2,569,307</u>	<u>\$ 2,534,539</u>	<u>34,768</u>	<u>\$ 2,223,846</u>	<u>\$ 2,203,892</u>	<u>\$ 19,954</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Expenditures of Federal Awards**  
**June 30, 2015**

Federal Grantor Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor's Number	Grant Year End	Total Federal Expenditures
<b>Mid-Ohio Valley Regional Development Council</b>				
<b>Corporation for National and Community Services</b>				
Pass-through the Office of Economic Opportunity (OEO)				
Senior Companion Program	94.016	13SXS WV001	6/30/2015	\$ 476,169
ACTION: Foster Grandparent	94.011	13GSX WV001	6/30/2014	510,267
Retired Senior Volunteer Program	94.002	13SRS WV002	6/30/2014	<u>59,026</u>
Total Corporation for National and Community Services				1,045,462
<b>Appalachian Regional Commission</b>				
Appalachian State Research, Technical Assistance and Demonstration Projects	23.011	01-39-02806	N/A	1,550,072
Appalachian Local Development District Assistance	23.009	WV-2284-C41	12/31/2014	59,024
Appalachian Local Development District Assistance	23.009	WV-2284-C42	12/31/2015	<u>20,885</u>
Total Appalachian Regional Commission				1,629,981
<b>U.S. Department of Commerce, Economic Development Administration</b>				
Revolving Loan Fund	11.307	01-39-02808	N/A	369,077
Support for Planning Organizations	11.302	01-83-1490.02	3/31/2016	17,500
Support for Planning Organizations	11.302	01-83-1490.01	3/31/2015	<u>52,500</u>
Total U.S. Department of Commerce Development Administration				439,077
<b>U. S. Department of Transportation</b>				
Highway Planning and Construction Passed through West Virginia DOT	20.205	WV AU-180-G	6/30/2015	223,328
Highway Planning and Construction Passed through Ohio DOT	20.205	OHIO DOTC 17663-1	6/30/2015	<u>70,700</u>
Total U. S. Department of Transportation				<u>294,028</u>
<b>Total Mid-Ohio Valley Regional Development Council</b>				
				<b>\$ 3,408,548</b>
<b>Mid-Ohio Valley Area Development Corporation</b>				
<b>U.S. Department of Agriculture, Rural Business Cooperative Service</b>				
Intermediary Relending Program	10.767			<u>\$ 386,047</u>
<b>Total Mid-Ohio Valley Area Development Corporation</b>				
				<b>\$ 386,047</b>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2015**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mid-Ohio Valley Regional Planning and Development Council and Mid-Ohio Valley Development Corporation is presented on the accrual basis of accounting with exception of the loan expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**NOTE 2 LOANS RECEIVABLE OUTSTANDING**

The accompanying schedule of expenditures of federal loan funds for the federal grant activity of the Mid-Ohio Valley Regional Planning and Development Council and Mid-Ohio Valley Development Corporation is summarized as follows:

- Per Appalachian Regional Commission Business Development Revolving Loan Fund (RLF) guidelines the amount of expenditures is based on the outstanding loan balance at the beginning of the year plus interest income on the outstanding loans during the year, and amount of new loans disbursed during the fiscal year.

Program	ARC
CFDA #	23.011
Outstanding loan balance 6/30/14	\$ 1,253,496
Current fiscal year loan disbursements	250,000
Current fiscal year intrest income	46,576
Total considered being federal expenditures	<u>\$ 1,550,072</u>

- Per the USED A Revolving Loan Fund (RLF) the expenditure is the balance of RLF loans outstanding at the end of the fiscal year, cash and investment balance in the RLF at the end of the fiscal year, *plus* administrative expenses paid out of RLF income during the fiscal year; *and then multiply this sum* by The federal share of the RLF. The Federal share is defined as the Federal participation rate (or the Federal grant rate), as specified in the grant award. The same basis for accounting of the RLF is used to compute the Intermediary Relending Program (IRP) federal expenditure for the program.

Program	RFL	IRP
CFDA #	11.307	10.767
Outstanding loan balance 6/30/15	\$ 452,102.00	\$ 2,848,267.00
Cash / investment balances	5,913	541,826
Administrative Expenses	3,331	27,490
Sub-total	461,346	3,417,583
Federal participation rate	80%	11%
Total considered being federal expenditures	<u>\$ 369,077</u>	<u>\$ 375,934</u>

## **Stephen P. Glaser CPA**

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St. Albans, WV 25177

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

To Board of Directors  
Mid-Ohio Valley Regional Planning and Development Council  
Parkersburg, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mid-Ohio Valley Regional Planning and Development Council (MOVRC), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise MOVRC's basic financial statements, and have issued our report thereon dated December 20, 2015.

#### **Internal Control over Financial Reporting**

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

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

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

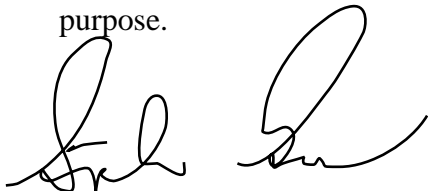


## Compliance and Other Matters

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

## Purpose of this Report

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

A handwritten signature in black ink, appearing to read 'S. P. Glaser', written in a cursive style.

Stephen P. Glaser, CPA  
Saint Albans, West Virginia  
December 20, 2015

# **Stephen P. Glaser CPA**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To Board of Directors  
Mid-Ohio Valley Regional Planning and Development Council  
Parkersburg, West Virginia

### **Report on Compliance for Each Major Federal Program**

We have audited Mid-Ohio Valley Regional Planning and Development Council's (MOVRC) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of MOVRC's major federal programs for the year ended June 30, 2015. MOVRC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

## ***Opinion on Each Major Federal Program***

In our opinion, MOVRC, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015

## **Report on Internal Control over Compliance**

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

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

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

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



Stephen P. Glaser, CPA  
Saint Albans, West Virginia  
December 20, 2015

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2015**

**Section I – Summary of Auditors’ Results**

***Financial Statements***

Type of auditors’ report issued; Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  No

Non compliance material to the financial statements noted?  Yes  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs; Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133  Yes  No

Identification of major programs:

**Mid-Ohio Valley Regional Development Council**

	<u>CFDA#</u>
Appalachian Regional Commission	23.011
Appalachian State Research, Technical Assistance and Demonstration Projects	
U.S. Department of Commerce, Economic Development Administration	11.307
Revolving Loan Fund	
U. S. Department of Transportation	20.205
Highway Planning and Construction	

**Mid-Ohio Valley Area Development Corporation**

U.S. Department of Agriculture, Rural Business Cooperative Service	10.767
Intermediary Relending Program	

Dollar threshold used to distinguish between Type A and Type B Program: \$ 300,000

Auditee qualified as a low-risk auditee?  Yes  No

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
**Schedule of Findings and Questioned Costs (continued)**  
**June 30, 2015**

**Section II – Financial Statement Findings**

There are no findings reported.

**Section III – Federal Award Findings and Questioned Costs**

There are no findings or questioned costs reported.

**Section IV – Corrective Action Plan**

A corrective action plan is not required because there are no questioned costs.

**Section V – Summary Schedule of Prior Audit Findings**

There are no prior year findings or questioned costs reported.