

**Independent Auditor's Report  
and Related Financial Statements**

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

**For the Year Ended June 30, 2018**

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
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**For the Year Ended June 30, 2018**

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

Mr. Chip Westfall  
Mr. Mitch Morrison  
Mr. Jay Powell  
Mr. Steve Worden  
Ms. Melissa O'Brien  
Mr. Eric Vincent  
Mr. Bob Tebay  
Ms. Teresa Murray

Ron Blankship, Mayor  
Carolyn Rader, Mayor  
John Fitzpatrick, Mayor  
Josh Miller, Mayor  
L. Paul Ingram, Mayor  
Steve Lewis, Mayor  
Robert E. Lawther, Mayor  
Robert Riggs, Mayor  
Gary Haugh, Mayor  
Terry Williams, Mayor  
Alan Haught, Mayor  
Sharlene Dood, Mayor  
Hollie Cherry, Mayor  
Charles Delauder, Mayor  
Darla Steele, Mayor  
Bill Rice, Mayor  
Penny McVay, Mayor  
Tom Joyce, Mayor  
Joel Davis, Mayor  
Jean Ford, Mayor  
Greg Burd, Mayor  
Randy Rapp, Mayor

Calhoun County Commission  
Jackson County Commission  
Pleasants County Commission  
Ritchie County Commission  
Roane County Commission  
Tyler County Commission  
Wood County Commission  
Wirt County Commission

Town of Grantsville  
City of Ripley  
City of Belmont  
Town of Ravenswood  
City of St. Marys  
Town of Ellenboro  
Town of Auburn  
City of Pennsboro  
Town of Cairo  
City of Spencer  
Town of Harrisville  
Town of Pullman  
Town of Reedy  
Town of Middlebourne  
Town of Friendly  
City of Sistersville  
Town of Elizabeth  
City of Parkersburg  
City of Paden City  
City of Williamstown  
Town of North Hills  
City of Vienna

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

Carl Guthrie, Director  
Diane Ludwig, Director  
Steve Parks, Director  
Mark Whitley, Director  
J. Eric Peters, Director  
Lindsey Piersol, Director

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

Mr. Richard Hayhurst  
Mr. Carl Reynolds  
Dr. Chris Gilmer  
Mr. Rickie Yeager  
Ms. Jill Parsons  
Mr. Don Stephens  
Mr. Rick Anderson  
Tommy Nutter  
Paul Thornton, Director  
Roy Schliecher  
Stephen Whited  
Mike Fleak

Private Sector  
WV Labor Training Trust Fund  
WVU Parkersburg  
Development Director, City of Parkersburg  
MOV Chamber of Commerce  
Wolf Pen Farms  
Jackson County Development Authority  
Private Sector  
City of Vienna Development  
Retired Economic Developer  
Minnie Hamilton Health Care  
Huntington Bank

**Stephen P. Glaser CPA**  
1021 7<sup>th</sup> Avenue  
St. Albans, WV 25177

## INDEPENDENT AUDITOR'S REPORT

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 Mid-Ohio Valley Regional Planning and Development Council (MOVRC) as of and for the year ended June 30, 2018, 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. 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 as of June 30, 2018, 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*

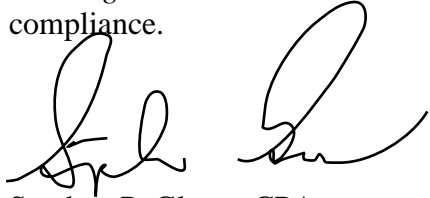
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the MOVRC's basic financial statements. The combining statement by program of revenue, expense, and changes in net position; schedule of functional expenditures for programs with different reporting fiscal periods other than June 30, 2018; and the comparative schedule of budget to actual functional expense of indirect costs charged to programs are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining statement by program of revenue, expense, and changes in net position; schedule of functional expenditures for programs with different reporting fiscal periods other than June 30, 2018; and the comparative schedule of budget to actual functional expense of indirect costs charged to programs; and, the schedule of expenditures of federal awards and notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, The combining statement by program of revenue, expense, and changes in net position; schedule of functional expenditures for programs with different reporting fiscal periods other than June 30, 2018; and the comparative schedule of budget to actual functional expense of indirect costs charged to programs; and, the schedule of expenditures of federal awards and notes are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, 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.



Stephen P. Glaser, CPA  
St. Albans, West Virginia  
December 28, 2018

**Mid-Ohio Valley Regional Planning and Development Council  
Management Discussion and Analysis  
Fiscal Year Ending June 30, 2018**

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, 2018. We encourage readers to consider this information in conjunction with the MOVRC's financial statements which follow.

**2018 Financial Highlights**

110 Foster Grandparents serving 98,739 hours

228 Retired Senior Volunteers serving 5,316 hours

96 Senior Companions serving 110,841 hours

15 loans closed for \$2,224,817, over \$5,286,586 leveraged, 116 jobs created/retained

Closed on transfer of an US Economic Development Revolving Loan fund from Taylor County, WV to MOVRC of \$2,299,273.

Sold the former office building at 531 Market Street, which had been vacant since we moved out in May 2017.

**Using this 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 MOVRC's financial activities.

**The Basic Financial Statements** consist of a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows.

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

**Other Supplementary Information** provides detailed information about the individual programs, and indirect rate. The MOVRC has several grant programs that operate on a difference grant cycle other than the agency's fiscal year end, 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 MOVRC's Financial Activities

The financial activities are reported in the Statement of Revenues, Expenses, and Change in Net Position and identify for:

- Mid-Ohio Valley Regional Planning and Development Council (MOVAC) - Activities include social services (senior programs), community and economic development, transportation, and business loan programs.
- Mid-Ohio Valley Development Corporation (MOVADC) - Activities include commercial rentals and loan programs of Intermediary Relending and Small State Credit Initiative.

The Statement of Revenues, Expenses, and Change in Net Position present the net positions. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

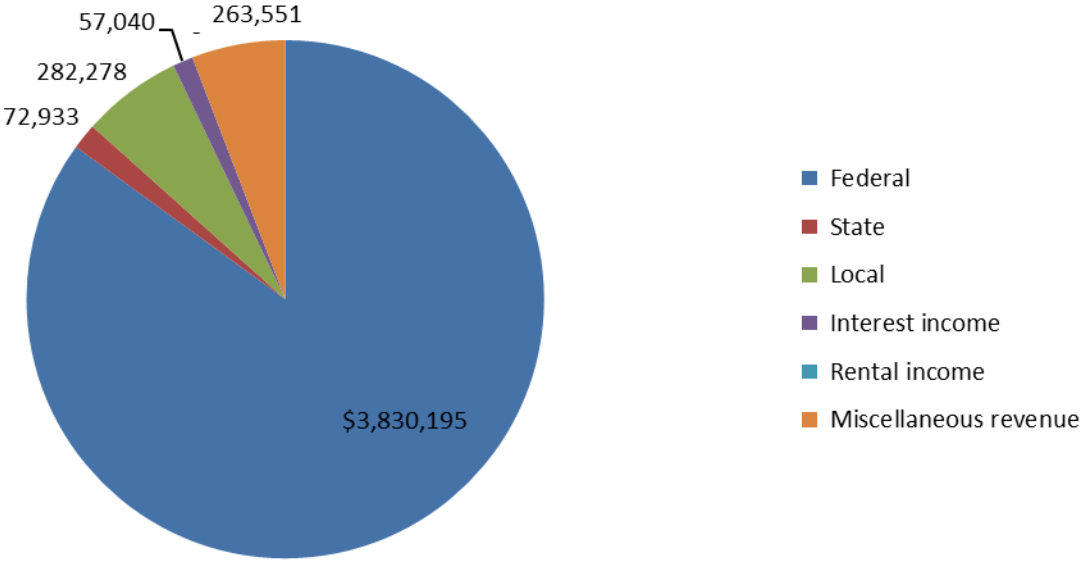
	MOVRC			MOVADC		
	<u>FY 2018</u>	<u>FY 2017</u>	<u>Change</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>Change</u>
REVENUES:						
Total revenues	4,505,996	2,306,916	2,199,080	275,323	1,209,253	(933,930)
EXPENDITURES:						
Total expenditures	<u>2,144,382</u>	<u>2,122,687</u>	<u>21,695</u>	<u>292,708</u>	<u>185,000</u>	<u>107,708</u>
Operating Income	2,361,615	184,229	2,177,386	(17,385)	1,024,253	(1,041,638)
Non-operating income						
Gain (Loss) on Fixed Asset Sale	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,514</u>	<u>-</u>	<u>7,514</u>
Changes in net position	2,361,615	184,229	2,177,386	(9,871)	1,024,253	(1,034,124)
Net Position balances at beginning of year	<u>2,657,430</u>	<u>2,473,201</u>	<u>184,229</u>	<u>3,176,556</u>	<u>2,152,303</u>	<u>1,024,253</u>
Net Position balances at end of year	<u>\$ 5,019,045</u>	<u>\$ 2,657,430</u>	<u>\$ 2,361,615</u>	<u>\$ 3,166,685</u>	<u>\$3,176,556</u>	<u>\$ (9,871)</u>

Comparing MOVRC's revenue in FY18 of \$4,482,199 and FY17 of \$2,306,917, a revenue increased \$2,175,283 primarily due to the transfer of \$2,299,273 from Taylor USED A loan fund to MOVRC. Taking that into consideration other revenues decreased \$123,991 mainly due to the Ross and McDonough Foundation FY17 new funding that was invested into the loan programs. Comparing the expenditures for Regional Council for FY18 indicates a decrease in expenditures of \$2,103 from FY17.

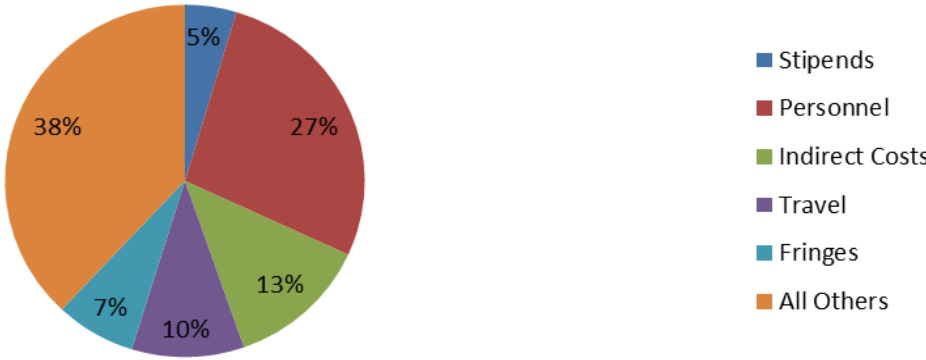
Comparing MOVADC's activities saw a decrease in revenues for FY18 of \$933,930 from FY17. This decrease was due to recognition of \$1,000,000 in Federal loan proceeds in 2017 that was not available in 2018. Taking that into consideration normal revenues increased in FY18 of \$66,070, largely due to increased rental income. MOVADC expenditures were higher in FY18 by \$107,709 due to increase in loan bad debt adjustments of \$52,056 and \$24,895 in interest mainly due to the financing of new office building and \$20,678 in depreciation for new building.

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

### MOVRC Revenues By Source



### MOVRC Major Expenditure by Type



**Individual Major Governmental Program Analysis**

The federal grant funded programs were performing in line with the stated objectives and were renewed without issue for the FY 2018 program year from FY 2017 program year.

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

Many factors impact the MOVRC's 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. The FY18 internal 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 MOVRC's Financial Management**

This financial report is designed to provide our grantors, creditors, member government and citizens with a general overview of the MOVRC's finances and to show the MOVRC'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 - Proprietary-Funds**  
**Fiscal Year Ending June 30, 2018**

	Business-type Activity		Total
	Enterprise Funds		
	MOVRC	MOVADC	
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 154,114	\$ 325,992	\$ 480,106
Restricted cash	2,958,384	851,507	3,809,891
Receivables, federal and state	99,024	-	99,024
Receivables, local, loan interest, and other	133,086	26,468	159,554
Due (to) General Fund from other funds	1,803	(1,803)	-
Notes receivable , net of allowance for loan losses	2,199,482	3,656,316	5,855,799
Other assets	3,632	-	3,632
Capital assets not being depreciated	-	296,697	296,697
Capital assets being depreciated, net	-	1,209,693	1,209,693
Total assets	<u>5,549,525</u>	<u>6,364,871</u>	<u>11,914,396</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
	-	-	-
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	113,083	16,413	129,496
Compensated Absences	21,759	-	21,759
Accrued Expenses	63,784	-	63,784
Unearned revenue	331,858	-	331,858
Noncurrent liabilities:			
Due within one year	-	221,368	221,368
Due in more than one year	-	2,960,406	2,960,406
Total liabilities	<u>530,483</u>	<u>3,198,188</u>	<u>3,728,671</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	-	-	-
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	-	813,724	813,724
Restricted for loan programs	4,627,720	2,034,814	6,662,534
Committed	391,322	318,145	709,467
Unrestricted	-	-	-
Total net position	<u>\$ 5,019,042</u>	<u>\$ 3,166,683</u>	<u>\$ 8,185,725</u>

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

**Mid-Ohio Valley Regional Planning and Development Council**  
**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary-Funds**  
**Fiscal Year Ending June 30, 2018**

	Business-type Activity Enterprise Funds		Total
	MOVRC	MOVADC	
<b>REVENUES:</b>			
Federal	\$ 3,830,195	\$ -	\$ 3,830,195
State	72,933	-	72,933
Local	282,278	-	282,278
Interest income	57,040	106,963	164,004
Rental income	-	142,749	142,749
Miscellaneous revenue	263,551	25,611	289,161
Total revenues	4,505,996	275,323	4,781,319
<b>EXPENDITURES:</b>			
Advertising and marketing	6,628	-	6,628
Contract services	2,430	4,525	6,955
Dues, fees and memberships	5,500	-	5,500
Equipment rental and repair	-	5,323	5,323
Indirect costs	274,424	287	274,710
Insurance	4,041	17,056	21,097
Interest	-	50,230	50,230
Consumables and printing	58,350	-	58,350
Other and in-kind	219,158	84,715	303,873
Personnel	583,926	541	584,466
Personnel benefits	154,801	138	154,939
Postage	1,132	-	1,132
Provision for loan losses	50,212	71,240	121,452
Stipends	559,187	-	559,187
Training/conference/workshops	7,905	-	7,905
Travel	216,689	-	216,689
Depreciation	-	58,653	58,653
Total expenditures	2,144,382	292,708	2,437,089
Operating income	2,361,615	(17,385)	2,344,230
<b>Non-operating income</b>			
Gain (Loss) on Fixed Asset Sale	-	7,514	7,514
Change in net position	2,361,615	(9,871)	2,351,744
Net Position balances at beginning of year	2,657,427	3,176,554	5,833,981
Net Position balances at end of year	\$ 5,019,042	\$ 3,166,683	\$ 8,185,725

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

**Mid-Ohio Valley Regional Planning and Development Council**  
**Statement of Cash Flows - Proprietary-Funds**  
**Fiscal Year Ending June 30, 2018**

	Business-type Activity		
	Enterprise Funds		
	MOVRC	MOVADC	Total
Cash flows from operating activities:			
Cash from (or out to) customers and users	\$ 4,142,947	\$ (89,132)	\$ 4,053,815
Cash (paid) to suppliers and employees	<u>(2,088,089)</u>	<u>(312,218)</u>	<u>(2,400,307)</u>
Net cash used by operating activities	2,054,858	(401,350)	1,653,508
Cash flows from financing activities:			
Unearned revenue (decrease) increase	1,216	-	1,216
Incurred long-term debt	<u>-</u>	<u>658,864</u>	<u>658,864</u>
Net cash provided by investing activities	1,216	658,864	660,080
Cash flows from investing activities			
Proceeds from sale of capital assets	<u>-</u>	<u>33,331</u>	<u>33,331</u>
Increase in cash and cash equivalents	2,056,074	290,846	2,346,920
Cash and cash equivalents, beginning of year	<u>1,056,425</u>	<u>886,653</u>	<u>1,943,078</u>
Cash and cash equivalents, end of year	<u>\$ 3,112,498</u>	<u>\$1,177,499</u>	<u>\$ 4,289,996</u>
Cash and cash equivalents consists of:			
Unresticed cash	\$ 154,114	\$ 325,992	\$ 480,106
Restricted cash	<u>2,958,384</u>	<u>851,507</u>	<u>3,809,891</u>
Cash and cash equivalents total	<u>\$ 3,112,498</u>	<u>\$1,177,499</u>	<u>\$ 4,289,996</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Gain (loss)	\$ 2,361,615	(17,385)	2,344,230
Depreciation and amortization	-	58,653	58,653
Changes in operating assets and liabilities:			
(Increase) decrease in grant receivables	(2,541)	(10,399)	(12,940)
(Increase) decrease in due from other funds	1,162	(1,162)	-
(Increase) decrease in notes receivable	(368,247)	(352,893)	(721,141)
(Increase) decrease in other assets	6,577	-	6,577
Increase (decrease) accrued expense	2,945	-	2,945
Increase (decrease) compensated absence	384	-	384
Increase (decrease) in accounts payable	<u>52,964</u>	<u>(78,164)</u>	<u>(25,200)</u>
Net cash used by operating activities	<u>\$ 2,054,858</u>	<u>\$ (401,350)</u>	<u>\$ 1,653,508</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, 2018**

**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 as a segment 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 segments based on direct labor plus benefit costs or negotiated amounts for specific services.

**A. Basis of Presentation**

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 described below.

MOVRC's funds are enterprise funds. Enterprise funds are proprietary funds used to account for business-like activities provided to the general public. These activities are financed primarily by Federal sources; also, with State and Local support; loan interest, and rental income with the measurement of financial activity focuses on net income measurement similar to the private sector.

MOVRC accounts for the operation activities in two separate segments and are presented combined in the basic financial statements. MOVRC activities includes social services (senior programs), community and economic development, transportation planning, and business loan programs from both Government and private sources. MOVADC activities include commercial rentals and the loan programs of Intermediary Relending and Small State Credit Initiative and is in direct control of the financial resources.

The financial statements report information on all the no fiduciary activities of MOVRC. The Statement of Revenue Expense and Change in Net Position demonstrates the degree to which the direct expenses of a given function are offset by direct program revenues.

**B. Measurement focus and basis of accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

The proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position. All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities (enterprise funds), subject to this same limitation. The MOVRC Board has elected not to follow subsequent private-sector guidance.

### **C. Fiscal Agent**

MOVRC serves as the fiscal agent for the Mid-Ohio Valley Workforce Investment Corporation (MOVVIC), an independently governed non-profit organization. All costs incurred in performing these duties are reimbursed back to the MOVRC by the MOVVIC.

MOVRC also serves as loan fund administrative office for the Little Kanawha Area Development Corporation Microloan Fund and the City of Spencer RBEG Fund. All expenses incurred for the administration of these two funds are reimbursed back to the MOVRC.

### **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. 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 received.

MOVRC 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.

## F. Capital Assets

Capital assets are defined by MOVRC 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 MOVRC are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	31.5 or 40
Office equipment	3 or 5

## G. 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 Regional Council or Development Corporation, 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 has been reported in the accompanying financial statements.

Compensated Absence Employees earn paid time off (PTO) balance of \$21,759 and change is summarized as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2018</u>
Compensated Absence	\$ 21,375	\$ -	\$ (384)	\$ 21,759

## H. Unearned Revenue

Grant revenue resulting from exchange transactions is recognized when the related costs are incurred. Unearned Revenue consist of non-federal 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, 2018, unearning revenue balance was \$331,858. The majority of which was attributable to the; Foster Grandparent Program \$23,607; WWW program \$179,669; RSVP Program \$74,684; Senior Companion Program \$10,881; and Ritchie RBEG \$41,050.

## G. 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.

## J. Income Taxes

MOVRC is a governmental agency is exempt from federal and state income taxes. MOVADC is also, exempt from federal and state income taxes under Internal Revenue Code Section 501(c)4. MOVADC is current with all tax filing as of the date of this report.

## NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

At June 30, 2018, 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	\$154,114	\$167,261
MOVADC	<u>325,992</u>	<u>325,994</u>
Total cash and cash equivalents	<u>\$480,106</u>	<u>\$493,255</u>

Restricted cash:

MOVRC federal grants and loan programs	\$2,958,834	\$3,298,463
MOVADC loan programs	<u>851,507</u>	<u>865,215</u>
Total restricted cash	<u>\$3,801,341</u>	<u>\$4,163,678</u>

At June 30, 2018, 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 individual grant agreements, each grant program maintains a separate account with a financial institution.

## NOTE 3. NOTES RECEIVABLE

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) United States Department of Agriculture Rural

Development Programs (RBEG and RBDG), and the Appalachian Regional Commission Revolving Loan Fund (ARC-RLF). Plus, three loan funds operating with funding from other sources; Foundation, McDonough Foundation and the Micro Loan Program (MLF). MOVRC's notes receivable by loan program at June 30, 2018, was as follows:

	<u>EDA-RLF</u>	<u>ARC-RLF</u>	<u>Foundation</u>	<u>MLF</u>	<u>McDonough</u>	<u>RBEG</u>	<u>RDBG</u>	<u>Total</u>
Notes receivable balance	\$ 476,163	\$ 1,453,333	\$ 174,621	\$362,114	\$ 30,835	\$ 28,393	\$ 30,275	\$ 2,555,734
Less allowance for bad debt	-	(283,437)	-	(57,676)	-	-	(15,138)	(356,252)
Net notes receivable balance	<u>\$ 476,163</u>	<u>\$ 1,169,895</u>	<u>\$ 174,621</u>	<u>\$304,437</u>	<u>\$ 30,835</u>	<u>\$ 28,393</u>	<u>\$ 15,137</u>	<u>\$ 2,199,482</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). MOVADC's notes receivable at June 30, 2018, was as follows:

	<u>SSBCI</u>	<u>IRP</u>	<u>Total</u>
Notes receivable	\$ 978,443	\$ 2,891,798	\$ 3,870,241
Less allowances	(52,828)	(161,096)	(213,924)
Notes receivable, net	<u>\$ 925,615</u>	<u>\$ 2,730,701</u>	<u>\$ 3,656,316</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 is noted 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 Micro Loan Program. MOVRC make through 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 Development Corporation is to retain title

to the land until the bonds sold to raise the money for the project are repaid. Development Corporation 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, 2018, was as follows:

	Totals			Totals
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Capital assets not being depreciated:				
Land	\$ 312,947	\$ -	\$16,250	\$ 296,697
Capital assets being depreciated:				
Buildings	1,990,213	32,111	198,433	1,823,891
Office equipment	<u>14,489</u>	<u>-</u>	<u>6,716</u>	<u>7,773</u>
Total capital assets being depreciated	2,004,702	32,111	205,149	1,831,664
Less accumulated depreciation for:				
Buildings	712,298	58,653	156,754	614,197
Office equipment	<u>14,489</u>	<u>-</u>	<u>6,716</u>	<u>7,773</u>
Total accumulated depreciation	<u>726,787</u>	<u>58,653</u>	<u>163,470</u>	<u>621,970</u>
Total capital assets being depreciated, net	<u>1,277,914</u>	<u>(26,542)</u>	<u>41,679</u>	<u>1,209,693</u>
Total capital assets, net	<u>\$ 1,590,862</u>	<u>\$ (26,542)</u>	<u>\$ 57,929</u>	<u>\$ 1,506,391</u>

## NOTE 6. LONG-TERM DEBT

MOVAD's long-term debt at June 30, 2018, was as follows:

Note payable 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 balance \$58,522.

Note payable 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 balance \$380,486

Note Payable 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 balance \$574,437.

Note Payable 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 balance \$725,662.

Note Payable 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 February 13, 2047, secured by all proceeds and products of the Intermediary Relending Program balance \$750,00.

Note Payable to SSBCI loan program in monthly installments of \$5,062 after the interest only period, including interest at 2%, interest only due the first two years, final payment due June 15, 2028, secured by Deed of Trust to 709 Market Street, Parkersburg WV balance \$499,918.

Note Payable to Huntington National Bank payable in 84 monthly installments of \$5,553 including interest at 4.875%, final payment due March 25, 2022, secured by real estate at 709 Market Street, Parkersburg WV balance \$192,749.

MOVADC's long-term debt activity for the year ended June 30, 2018, was as follows:

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Due within <u>One Year</u>
USDA 2019	142,002	-	83,480	58,522	58,522
USDA 2031	408,242	-	27,756	380,486	28,033
USDA 2038	600,272	-	25,835	574,437	26,094
USDA 2041	750,000	-	24,338	725,662	24,581
USDA 2047	-	750,000	-	750,000	7,500
709 Market Street HNB	622,394	77,606	507,251	192,749	66,640
709 Market Street SSBCI	-	500,000	82	499,918	9,998
Total Notes payable	<u>\$ 2,522,910</u>	<u>\$ 1,327,606</u>	<u>\$ 668,742</u>	<u>\$ 3,181,774</u>	<u>\$ 221,368</u>

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

June 30,	Principal	Interest	Total
2019	\$ 188,377	\$ 32,991	\$ 221,368
2020	216,727	38,016	254,742
2021	221,890	32,852	254,742
2022	167,703	28,673	196,376
2023	161,611	26,491	188,103
2024-2029	844,245	97,828	942,073
2030-2034	509,867	56,579	566,446
2035-2039	444,110	33,336	477,446
2040-2044	304,478	13,897	318,375
2045-2049	122,766	1,255	124,020
Totals	<u>\$ 3,181,774</u>	<u>\$ 361,918</u>	<u>\$ 3,543,692</u>

#### **NOTE 7. RENTAL 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, 2018, was \$66,010.

#### **NOTE 8. RETIREMENT PLAN**

MOVRC has a defined contribution plan which provides retirement benefits for all eligible employees. During the year ended June 30, 2018, 2017 and 2016, MOVRC contributed \$52,082, \$49,567 and \$48,365, respectively, to the plan which is equal to five and one-half percent of eligible employees' qualified compensation.

#### **NOTE 9. RISK MANAGEMENT**

MOVRC and MOVADC 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. MOVRC provided PEIA coverage has no extended post-employment benefits.

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

#### **NOTE 10. RELIANCE ON FEDERAL GRANTS**

MOVRC derived 65% of its revenue from federal grants. During the federal budget process in 2018 several proposals have been presented for elimination of many grant funded programs. The MOVRC is the recipient of several grants from these programs facing cuts. This is normal for the federal budget progress to have proposals to cut and increase programs.

MOVRC has renewed several federal grants extending into 2019: ARC grant approved to 12/31/2018, EDA grant approved to 3/31/2019, FGP grant approved to 6/30/2019, RSVP grant approved to 6/30/2019 and SCP grant approved to 6/30/2019.

## **NOTE 11. 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.

MOVRC's Board decided not to renew the fiscal and management contract with the Wood County Senior Citizens Association Inc. that expired September 30, 2018. This will have minor impact to the MOVRC financial operations as the contract was of a fee for service type arrangement and with the cancellation of the contract the additional expense relating to these services will also cease. MOVRC will continue to offer services to Wood County Seniors through December 31, 2018 then solely on an as needed basis for cost reimbursement and at a greatly reduced level of service than was offered under the contract.

**OTHER SUPPLEMENTARY INFORMATION**



**Mid-Ohio Valley Regional Planning and Development Council  
Combing by Program Statement of Revenues, Expenses, and Changes in Net Position  
Fiscal Year Ending June 30, 2018**

	Appalachian Regional Commission	EECBG	Economic Dev. Admin.	Fee For Service	Foster Grandparents	ARC - Revolving Loan Fund	EDA- Revolving Loan Fund
<b>REVENUES:</b>							
Federal	\$ 109,021	\$ -	\$ 66,021	\$ -	\$ 506,324	\$ -	\$ 2,299,273
State	40,269	-	-	-	-	-	-
Local	-	-	24,061	159,866	-	-	-
Interest	8	-	4	-	8	33,595	9,641
Other	-	-	-	-	59,612	4,954	2,250
Total revenues	149,297	-	90,086	159,866	565,945	38,549	2,311,165
<b>EXPENDITURES:</b>							
Advertising and marketing	2,163	-	932	1,822	-	-	-
Allocation Loan Pool Administrative	-	-	-	-	-	9,271	2,484
Contract services	-	-	65	-	275	-	-
Dues, fees and memberships	-	-	-	-	-	-	-
Equipment rental and repair	-	-	-	-	-	-	-
Indirect costs	36,282	-	21,728	43,866	28,090	-	-
Insurance	-	-	-	-	889	-	-
Consumables and printing	1,956	-	2,305	-	1,314	-	-
Other and in-kind	1,313	-	-	238	60,413	178	668
Personnel	69,208	-	42,120	82,766	97,654	-	-
Personnel benefits	20,818	-	12,298	26,961	14,483	-	-
Postage	316	-	193	-	-	-	-
Provision for loan losses	-	-	-	-	-	36,242	-
Stipends	-	-	-	-	265,457	-	-
Training/conference/workshops	3,925	-	-	-	-	-	-
Travel	13,317	-	10,446	4,213	97,369	-	-
Total expenditures	149,297	-	90,086	159,866	565,945	45,690	3,152
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	(7,141)	2,308,013
Program net position at beginning of year	-	2,397	-	(1,669)	-	1,371,988	371,967
Program net position at end of year	\$ -	\$ 2,397	\$ -	\$ (1,669)	\$ -	\$ 1,364,847	\$ 2,679,980

**Mid-Ohio Valley Regional Planning and Development Council**  
**Combing by Program Statement of Revenues, Expenses, and Changes in Net Position**  
**Fiscal Year Ending June 30, 2018 (continued)**

	Ross Foundation Loan Fund	McDonough Foundation Loan Fund	Micro loan RLF	RBDG	Loan Pool Admin.	Launchpad	Local
<b>REVENUES:</b>							
Federal	\$ -	\$ -	\$ -	\$ 23,674	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	65,741
Interest	3,040	589	8,573	79	-	-	250
Other	-	-	25	-	23,797	11,875	-
Total revenues	3,040	589	8,598	23,753	23,797	11,875	65,991
<b>EXPENDITURES:</b>							
Advertising and marketing	-	-	-	-	-	-	-
Allocation Loan Pool Administrative	-	-	1,702	-	(13,458)	-	-
Contract services	-	-	-	-	-	-	-
Dues, fees and memberships	-	-	-	-	-	-	5,500
Equipment rental and repair	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	8,301	-	84
Insurance	-	-	-	-	1,203	-	-
Consumables and printing	-	-	-	-	4,665	-	36,020
Other and in-kind	23	-	131	-	1,451	6,820	-
Personnel	-	-	-	-	15,662	-	159
Personnel benefits	-	-	-	-	4,009	-	27
Postage	-	-	-	-	123	-	7
Provision for loan losses	-	-	13,970	-	-	-	-
Stipends	-	-	-	-	-	-	-
Training/conference/workshops	-	-	-	-	-	-	-
Travel	-	-	-	-	1,841	-	-
Total expenditures	23	-	15,804	-	23,797	6,820	41,796
Excess (deficiency) of revenues over (under) expenditures	3,017	589	(7,206)	23,753	-	5,055	24,195
Program net position at beginning of year	205,023	50,190	331,280	-	-	2,325	184,169
Program net position at end of year	<u>\$ 208,040</u>	<u>\$ 50,779</u>	<u>\$ 324,074</u>	<u>\$ 23,753</u>	<u>\$ -</u>	<u>\$ 7,380</u>	<u>\$ 208,364</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Combing by Program Statement of Revenues, Expenses, and Changes in Net Position**  
**Fiscal Year Ending June 30, 2018 (continued)**

	Senior Volunteer Program	Ritchie RBEG	Senior Companion Program	Senior Bingo	Assoc. Reg. Plan & Dev.	Interstate Planning Commission	WV AMPO	Combined Total Special Revenue
<b>REVENUES:</b>								
Federal	\$ 75,245	\$ -	\$ 464,329	\$ -	\$ -	\$ 286,308	\$ -	\$ 3,830,195
State	-	-	-	-	-	32,664	-	72,933
Local	-	-	-	-	-	32,610	-	282,278
Interest	39	1,126	7	-	25	55	-	57,040
Other	90,965	-	52,623	3,539	8,800	-	5,111	263,551
Total revenues	166,249	1,126	516,958	3,539	8,825	351,637	5,111	4,505,996
<b>EXPENDITURES:</b>								
Advertising and marketing	-	-	-	-	-	1,105	606	6,628
Allocation Loan Pool Administrative	-	-	-	-	-	-	-	-
Contract services	325	-	-	-	1,625	140	-	2,430
Dues, fees and memberships	-	-	-	-	-	-	-	5,500
Equipment rental and repair	-	-	-	-	-	-	-	-
Indirect costs	15,503	-	22,048	-	-	98,523	-	274,424
Insurance	1,191	-	758	-	-	-	-	4,041
Consumables and printing	686	-	2,759	-	2,441	6,205	-	58,350
Other and in-kind	102,243	17	43,526	1,649	43	-	447	219,158
Personnel	33,054	-	58,321	-	-	184,981	-	583,926
Personnel benefits	4,699	-	18,733	-	-	52,773	-	154,801
Postage	-	-	-	-	384	109	-	1,132
Provision for loan losses	-	-	-	-	-	-	-	50,212
Stipends	-	-	293,730	-	-	-	-	559,187
Training/conference/workshops	-	-	-	-	50	3,930	-	7,905
Travel	8,548	-	77,084	-	-	3,871	-	216,689
Total expenditures	166,249	17	516,958	1,649	4,543	351,637	1,053	2,144,382
Excess (deficiency) of revenues over (under) expenditures	-	1,109	-	1,890	4,283	-	4,059	2,361,615
Program net position at beginning of year	-	93,460	-	538	45,759	-	-	2,657,427
Program net position at end of year	\$ -	\$ 94,569	\$ -	\$ 2,428	\$ 50,042	\$ -	\$ 4,059	\$ 5,019,042

**Mid-Ohio Valley Development Corporation**  
**Combing by Program Statement of Revenues, Expenses, and Changes in Net Position**  
**Fiscal Year Ending June 30, 2018**

	Intermediary Relending Program	State Small Business Initiative	Economic Development and Administrative Facility Rental	Totals
<b>REVENUES:</b>				
Federal Grant	\$ -	\$ -	\$ -	\$ -
Interest	83,469	23,258	237	106,963
Rental income	-	-	142,749	142,749
Other	25,611	-	-	25,611
Total revenues	109,080	23,258	142,985	275,323
<b>EXPENDITURES:</b>				
Personnel	-	-	541	541
Personnel benefits	-	-	138	138
Equipment rental and repair	-	-	5,323	5,323
Utilities	-	-	5,643	5,643
Insurance	-	-	17,056	17,056
Interest	24,312	-	25,918	50,230
Indirect costs	-	-	287	287
Contract services	1,658	439	2,429	4,525
Other	20,193	5,005	53,874	79,072
Provision for loan losses	71,240	-	-	71,240
Depreciation	-	-	58,653	58,653
Total expenditures	117,403	5,444	169,861	292,708
Operating income	(8,323)	17,813	(11,847)	(2,357)
Non-operating income				
Gain (Loss) on Fixed Asset Sale	-	-	7,514	7,514
Changes in net position	(8,323)	17,813	(19,361)	(9,871)
Net Position at beginning of year	1,027,588	1,035,260	1,113,706	3,176,554
Net Position at end of year	<u>\$ 1,019,265</u>	<u>\$ 1,053,073</u>	<u>\$ 1,094,345</u>	<u>\$ 3,166,683</u>

**Mid-Ohio Valley Regional Planning and Development Council**  
**Schedule of Functional Expense for Programs with Different Reporting Fiscal Periods**  
**other than Fiscal Year Ending June 30, 2018**

	<u>Appalachian Regional Commission</u>		<u>Economic Development Administration</u>	
	Six Months	Six Months	Nine Months	Three Months
	<u>Ended 12/31/17</u>	<u>Ended 6/30/18</u>	<u>Ended 3/31/18</u>	<u>Ended 6/30/18</u>
REVENUES:				
Federal	\$ 38,800	\$ 70,221	\$ 48,521	\$ 17,500
State	8,906	31,363	-	-
Local	-	-	12,130	11,931
Interest	3	5	4	-
Other	-	-	-	-
Total revenues	<u>47,709</u>	<u>101,588</u>	<u>60,655</u>	<u>29,431</u>
EXPENDITURES:				
Advertising and marketing	647	1,516	908	24
Contract services	-	-	-	65
Indirect costs	11,661	24,621	14,219	7,509
Consumables and printing	667	1,289	2,260	45
Other and in-kind	750	563	-	-
Personnel	22,537	46,671	26,918	15,202
Personnel benefits	6,682	14,136	8,150	4,148
Postage	166	150	124	69
Training, conference and workshops	(272)	4,197	-	-
Travel	<u>4,871</u>	<u>8,446</u>	<u>8,076</u>	<u>2,370</u>
Total expenditures	<u>47,709</u>	<u>101,588</u>	<u>60,655</u>	<u>29,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Mid-Ohio Valley Regional Planning and Development Council  
Comparative Schedule Budget to Actual Functional Expense  
of Indirect Costs Charged to Programs  
Fiscal Year Ending June 30, 2018**

	Indirect Costs		Variance
	Budget	Actual	Inc. (Dec.)
Indirect costs:			
Salaries and personnel	\$ 142,435	\$156,723	\$ 14,288
Personnel benefits	35,132	37,340	2,208
Audit costs	18,000	16,069	(1,931)
Meals and meeting costs	5,000	1,463	(3,537)
Consultants	2,000	14,462	12,462
Dues	2,000	1,185	(815)
Service and miscellaneous	450	441	(9)
Parking	6,300	5,400	(900)
Travel	15,000	15,316	316
Insurance	8,265	8,265	0
Office rental	63,010	66,010	3,000
Office equipment	3,596	(202)	(3,798)
Computer expense	10,000	26,318	16,318
Consumable supplies and printing	6,895	18,727	11,832
Postage expense	3,036	3,641	605
Telephone expense	11,418	8,919	(2,499)
Trash expense	1,368	1,083	(285)
Cleaning and janitorial	8,000	1,725	(6,275)
Advertising	2,000	-	(2,000)
Utilities	18,000	14,719	(3,281)
Board of directors	1,000	529	(471)
Unallocated	3,000	-	(3,000)
Training and education	8,000	4,261	(3,739)
Total indirect before income offsets	373,905	402,397	28,492
Less:			
M&A charge to MOVWIC	98,161	102,690	4,529
MOVADC indirect	376	287	(89)
Contractual Income with WCSC	-	24,941	24,941
Interest income	-	56	56
Total income offsets	98,537	127,973	29,436
Total indirect costs	\$ 275,368	\$ 274,423	\$ (945)

**Mid-Ohio Valley Regional Planning and Development Council  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ending June 30, 2018**

Federal Grantor Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor's Number	Grant Period	Total Grant Award	Total Federal Expenditures
<b>Corporation for National and Community Services</b>					
Pass-through the WV Office of Economic Opportunity (OEO)					
Foster Grandparent/Senior Companion Cluster					
Senior Companion Program	94.016	16SCSWV001	7/1/2017-6/30/2018	\$ 482,300	\$ 464,329
Foster Grandparent	94.011	16SFSWV001	7/1/2017-6/30/2018	510,267	506,324
Foster Grandparent/Senior Companion Cluster total					970,653
Retired Senior Volunteer Program	94.002	16SRSWV005	7/1/2017-6/30/2018	56,256	48,728
Retired Senior Volunteer Program	94.002	17SRSWV002	7/1/2017-6/30/2018	75,000	26,517
<b>Total Corporation for National and Community Services</b>					<u>1,045,898</u>
<b>Appalachian Regional Commission</b>					
Revolving Loan Fund	23.011	01-39-02806		N/A	1,412,746
Appalachian Local Development District Assistance	23.009	WV-2284-C44-R1-17	1/1/2017-12/31/2017	77,600	38,800
Appalachian Local Development District Assistance	23.009	WV-2284-C45-R1-187	1/1/2018-12/31/2018	77,715	70,221
<b>Total Appalachian Regional Commission</b>					<u>1,521,767</u>
<b>U.S. Department of Commerce, Economic Development Administration</b>					
Revolving Loan Fund	11.307	01-39-02808		N/A	2,674,731
Support for Planning Organizations	11.302	ED16PHI3020033	4/1/2017-3/31/2018	70,000	48,521
Support for Planning Organizations	11.302	ED16PHI3020033	4/1/2018-3/31/2019	70,000	17,500
<b>Total U.S. Department of Commerce, Economic Development Administration</b>					<u>2,740,752</u>
<b>U.S. Department of Agriculture, Rural Business Cooperative Service</b>					
Intermediary Relending Program	10.767	N/A	N/A	N/A	1,216,922
<b>Total U.S. Department of Agriculture, Rural Business Cooperative Service</b>					<u>1,216,922</u>
<b>U. S. Department of Transportation</b>					
Highway Planning and Construction Cluster DOT	20.205				
Passed through West Virginia DOT		WV AU-180-G	7/1/2017-6/30/2018	200,836	187,336
Passed through Ohio DOT		OHIO DOTC 30098-1	7/1/2017-6/30/2018	25,000	25,000
Passed through Ohio DOT		OHIO DOTC 30098-2	7/1/2017-6/30/2018	79,042	73,972
<b>Total U. S. Department of Transportation - Highway Planning and Construction Cluster DOT</b>					<u>286,308</u>
<b>Total Expenditures of Federal Awards</b>					<u>\$ 6,811,647</u>

**Mid-Ohio Valley Regional Planning and Development Council  
Notes to Schedule of Expenditures of Federal Awards  
Fiscal Year Ending June 30, 2018**

**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 is presented on the accrual basis of accounting. 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 - INDIRECT COST**

MOVRC has elected not to use the 10% de minimum indirect rate. We used an US-Economic Development Agency approved rate of 0.53 of direct labor.

**NOTE 3 - LOANS RECEIVABLE OUTSTANDING**

MOVRC had the following balances of loans receivable outstanding at June 30, 2018, under federal loan programs

<u>Program Title:</u>	<u>CFDA</u>		
USEDA Revolving Loan Fund	11.307	\$	476,163
Appalachian Regional Commission-RLF	23.011		1,169,895
Intermediary Relending Program	10.767		<u>2,730,701</u>
Total			<u>\$ 4,376,759</u>

**NOTE 4. - FEDERAL EXPENDITURES ARC EDA IRP LOAN PROGRAM**

Program <u>CFDA #</u>	<u>EDA</u>	<u>IRP</u>
	11.307	10.767
Outstanding loan balance 6/30/18	\$ 476,163	\$ 2,730,701
Cash / investment balances	2,306,863	724,368
Administrative Expenses	3,152	21,851
Sub-total	<u>2,786,178</u>	<u>3,476,920</u>
Federal participation rate	0.96	0.35
Total considered being federal expenditures	<u>\$ 2,674,731</u>	<u>\$ 1,216,922</u>
		<u>ARC</u>
		23.011
Outstanding loan balance 6/30/17		\$ 1,128,817
Current fiscal year loan disbursements		245,380
Current fiscal year program income		38,549
		<u>\$ 1,412,746</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*

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, 2018, and the related notes to the financial statements, which collectively comprise MOVRC's basic financial statements, and have issued our report thereon dated December 28, 2018.

#### **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.

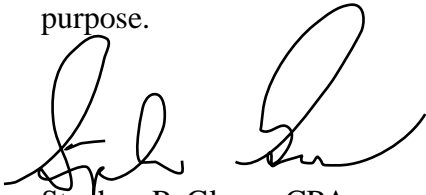
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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



Stephen P. Glaser, CPA  
Saint Albans, West Virginia  
December 28, 2018

## **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 UNIFORM GUIDANCE

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 Compliance Supplement* that could have a direct and material effect on each of MOVRC's major federal programs for the year ended June 30, 2018. 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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance 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, 2018

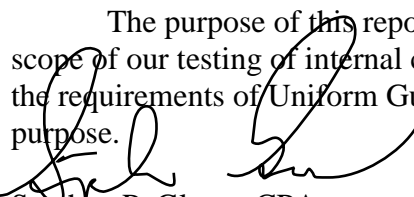
## **Report on Internal Control over Compliance**

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 Uniform Guidance, 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Stephen P. Glaser, CPA  
Saint Albans, West Virginia  
December 28, 2018

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
**Schedule of Findings and Questioned Costs**  
**Fiscal Year Ending June 30, 2018**

**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 requirements of Uniform Guidance  Yes  No

Identification of major programs:

CFDA Number

**Corporation for National and Community Services**

Senior Companion Program 94.016  
 ACTION: Foster Grandparent 94.011

**U. S. Department of Transportation**

Highway Planning and Construction 20.205

**U.S. Department of Agriculture, Rural Business Cooperative Services**

Intermediary Relending Program 10.767

Dollar threshold used to distinguish between Type A and Type B Program:

Awards before 12/26/2014 \$ 300,000  
 Awards on or after 12/26/2014 \$ 750,000

Auditee qualified as a low-risk auditee?  Yes  No

**MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL**  
**Schedule of Findings and Questioned Costs (continued)**  
**Fiscal Year Ending June 30, 2018**

**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 is no questioned costs.

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

There are no prior year findings or questioned costs reported.