

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

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

For the Year Ended June 30, 2019

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

Mr. Chip Westfall
Mr. Mitch Morrison
Mr. Jay Powell
Mr. Randall Riggs
Mr. Andrew Corkrean
Mr. Eric Vincent
Mr. Bob Tebay
Mr. Robert Gunnoe

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

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
Chris Phillips, Mayor
Stephen Seago, Mayor
Darla Steele, Mayor
Bill Rice, Mayor
Bobbi Moore, Mayor
Tom Joyce, Mayor
Clyde Hochstrasser, Mayor
Jean Ford, Mayor
Greg Burd, Mayor
Randy Rapp, Mayor

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

Diane Braun, 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. Ross McPherson
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
Premier Bank, VP Comm/Small Business Dev.

Stephen P. Glaser CPA
1021 7th 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, 2019, 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 as of June 30, 2019, 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

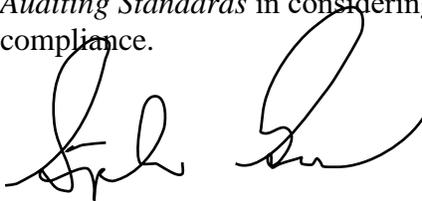
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the MOVRC's basic financial statements. The combining statement by program of revenue, expense, and changes in net position; schedule of functional expenditures for programs with different reporting fiscal periods other than June 30, 2019; 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, 2019; 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, 2019; 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 19, 2019, 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 19, 2019

**Mid-Ohio Valley Regional Planning and Development Council
Management Discussion and Analysis
Fiscal Year Ending June 30, 2019**

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, 2019. We encourage readers to consider this information in conjunction with the Council's financial statements which follow.

2019 Financial Highlights

110 Foster Grandparents serving 99,936 hours benefitting 600 children

428 Retired Senior Volunteers serving 75,229 hours

98 Senior Companions serving 112,475 hours and 144 clients

11 loans closed for \$951,500, over \$625,505 additional funds leveraged, 66 jobs created/retained

Closed on transfer of an US Economic Development Revolving Loan fund and USDA RDBG Loan fund from Regional Council-VI, WV to MOVRC of \$101,088.

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 for enterprise funds consist of a **Statement of Net Assets**, a **Statement of Activities**, and a **Statement of Cash Flows**. Both the activities of MOVRC and MOVADC are considered for reporting Enterprise Funds. The MOVRC activities are the programs for community and economic development, transportation, senior program and business programs. The MOVADC activities are the 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.

Other Supplementary Information for both Government and Business type programs and grants further explains and supports the financial statements which consist of .

- A combining by program statements of revenues, expenses, and change in net position for MOVRC and MOVADC detailing each by program.

- A schedule of functional expense for programs with different reporting periods to the grantor. 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
- A comparison schedule of the budgeted to actual functional expenses for MOVRC’s indirect cost charged to the programs, and .
- A Schedule of Expenditures of Federal Awards and notes that provides details of the various federal programs managed through the agency

Reporting the Council’s Financial Activities

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

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

- MOVRC Activities include social services (senior programs), community and economic development, transportation, and business programs.
- MOVADC Activities include commercial rentals and loan programs.

	MOVRC			MOVADC		
	FY 2019	FY 2018	Change	FY 2019	FY 2018	Change
REVENUES:						
Total revenues	\$2,523,711	\$4,505,996	\$ (1,982,285)	\$ 300,108	\$ 275,323	\$ 24,785
EXPENDITURES:						
Total expenditures	\$2,041,792	\$2,144,382	\$ (102,590)	\$ 145,586	\$ 292,708	\$ (147,122)
Operating income	481,919	2,361,614	(1,879,695)	154,522	(9,873)	164,395
Net Position balances at beginning of year	5,019,044	2,657,430	1,879,695	3,166,683	3,176,556	(9,873)
Net Position balances at end of year	<u>\$5,500,963</u>	<u>\$5,019,044</u>	<u>\$ (1,982,285)</u>	<u>\$ 3,321,205</u>	<u>\$ 3,166,683</u>	<u>\$ 154,522</u>

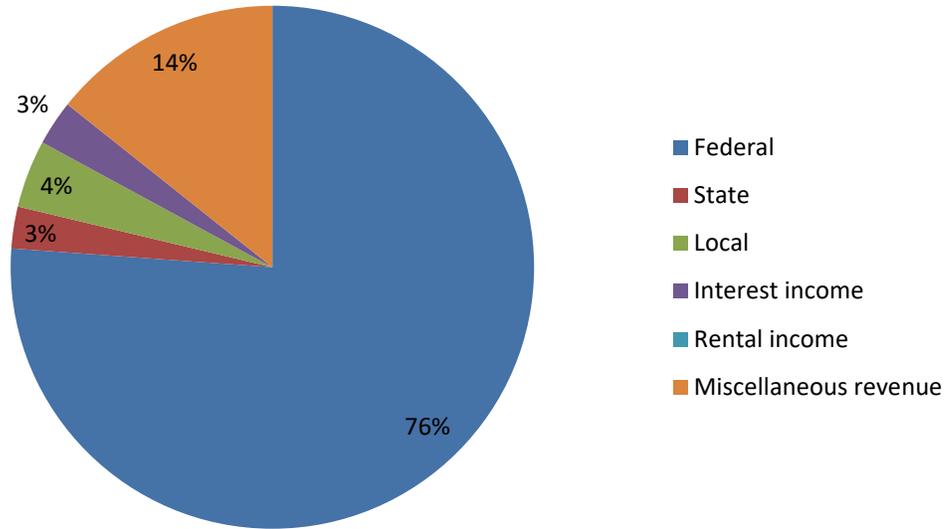
Comparing MOVRC Revenue in FY19 of \$2,523,711 and FY18 of \$4,805,996, MOVRC revenue decreased \$1,982,285 largely due to the FY18 \$2,299,273 transfer in of funds for the EDA Revolving Loan fund. Comparing the expenditures for the MOVRC special revenue program funds for FY19 indicates a decrease in expenditures of \$102,590 from FY18. The decrease in expenditures were across the majority of expense categories.

The MOVADC activities saw an increase in revenues for FY19 of \$24,785 from FY18 primarily due to during FY19 MOVADC recovered \$59,663 from Ellenboro PSD for prior year expenditures paid by MOVADC under a settlement payoff agreement.

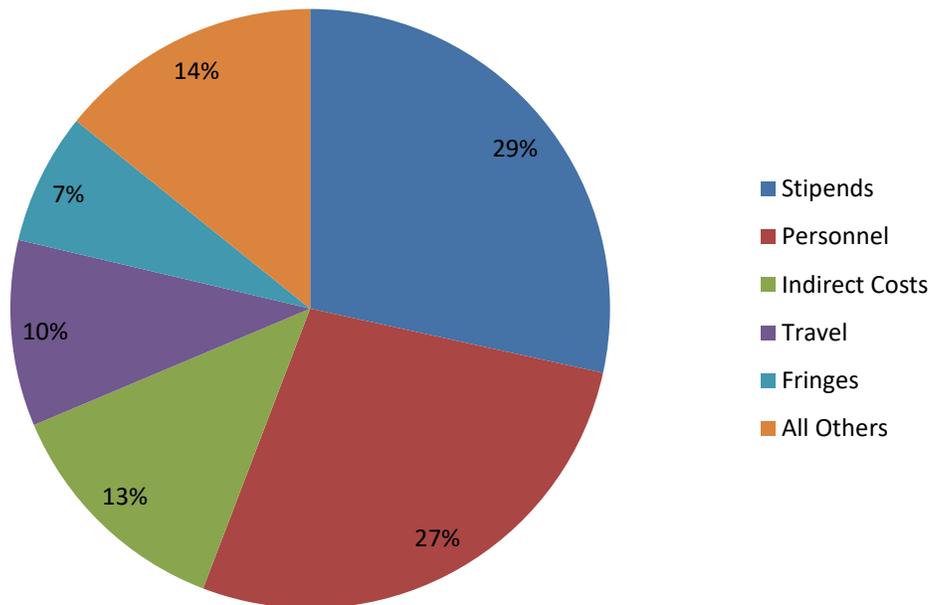
The MOVADC expenditures were lower in FY19 by \$147,122 primarily due to adjustments in in loan bad debt adjustments of \$89,514; \$28,897 in subsidy paid for Ellenboro PSD; \$8,057 lower interest costs on debt and \$7,742 in lower depreciation costs.

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

MOVRC Revenues By Source



MOVRC Major Expenditure by Type



Individual Major Governmental Fund Analysis

The remaining grant funded programs were performing in line with the stated objectives and were renewed without issue for the FY19 program year.

Economic Factors and Budget Impact

Many factors impact the Agency'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 FY19 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 - Proprietary-Funds
Fiscal Year Ending June 30, 2019

	Enterprise Funds		
	MOVRC	MOVADC	Total
ASSETS:			
Cash and cash equivalents	\$ 111,803	\$ 332,305	\$ 444,108
Restricted cash	3,427,380	401,291	3,828,671
Receivables, federal and state	121,349	-	121,349
Receivables, local, interest, and other	173,465	25,239	198,704
Due (to) General Fund from other funds	37,964	-	37,964
Notes receivable , net of allowance for loan losses	2,159,544	4,040,104	6,199,648
Other assets	3,313	-	3,313
Capital assets not being depreciated	-	296,697	296,697
Capital assets being depreciated, net	-	1,158,782	1,158,782
Total assets	6,034,819	6,254,418	12,289,237
DEFERRED OUTFLOWS OF RESOURCES:	-	-	-
LIABILITIES:			
Accounts payable and accrued expenses	72,860	10,471	83,331
Compensated Absences	28,944	-	28,944
Accrued Expenses	83,523	-	83,523
Unearned Revenue	348,531	-	348,531
Current portion of long term debt	-	174,700	174,700
Noncurrent liabilities: noncurrent portion of long term debt	-	2,748,044	2,748,044
Total liabilities	533,857	2,933,214	3,467,071
DEFERRED INFLOWS OF RESOURCES:	-	-	-
NET POSITION:			
Invested in capital assets, net of related debt	-	884,612	884,612
Restricted for loan programs	4,995,454	2,114,756	7,110,210
Committed	505,509	321,836	827,345
Unrestricted	-	-	-
Total net position	\$ 5,500,962	\$ 3,321,205	\$ 8,822,167

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, 2019

	Enterprise Funds		
	MOVRC	MOVADC	Total
REVENUES:			
Federal	\$ 1,921,748	\$ -	\$ 1,921,748
State	65,204	-	65,204
Local	105,669	-	105,669
Interest income	70,046	105,684	175,730
Subsidy loan net expense recovery	-	59,663	59,663
Rental income	-	134,761	134,761
Miscellaneous revenue	361,045	-	361,045
Total revenues	<u>2,523,711</u>	<u>300,108</u>	<u>2,823,819</u>
EXPENDITURES:			
Advertising and marketing	6,378	-	6,378
Allocation to component unit	(22,970)	-	(22,970)
Contract services	74,068	-	74,068
Dues, fees and memberships	7,500	-	7,500
Equipment rental and repair	-	3,335	3,335
Indirect costs	262,185	49	262,234
Insurance	4,206	11,456	15,662
Interest	-	42,173	42,173
Consumables and printing	17,439	-	17,439
Other and in-kind	169,132	55,818	224,950
Personnel	558,806	93	558,900
Personnel benefits	144,594	24	144,618
Postage	636	-	636
Provision for loan losses	21,754	(18,274)	3,479
Stipends	580,711	-	580,711
Telephone	-	-	-
Training/conference/workshops	12,453	-	12,453
Travel	204,899	-	204,899
Depreciation	-	50,911	50,911
Total expenditures	<u>2,041,792</u>	<u>145,586</u>	<u>2,187,378</u>
Operating income	<u>481,919</u>	<u>154,522</u>	<u>636,441</u>
Net Position balances at beginning of year	<u>5,019,043</u>	<u>3,166,683</u>	<u>8,185,726</u>
Net Position balances at end of year	<u>\$ 5,500,962</u>	<u>\$ 3,321,205</u>	<u>\$ 8,822,167</u>

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, 2019

	Enterprise Funds		
	MOVRC	MOVADC	Total
Cash flows from operating activities:			
Cash from (or out to) customers and users	\$ 2,465,103	\$ (84,254)	\$ 2,380,849
Cash (paid) to suppliers and employees	(2,055,090)	(202,439)	(2,257,530)
Net cash used by operating activities	410,013	(286,693)	123,319
Cash flows from financing activities:			
Unearned revenue (decrease) increase	16,673	-	16,673
Incurred long-term debt	-	(259,030)	(259,030)
Net cash provided by investing activities	16,673	(259,030)	(242,357)
Cash flows from investing activities			
Proceeds from sale of capital assets	-	101,823	101,823
Increase in cash and cash equivalents	426,686	(443,901)	(17,214)
Cash and cash equivalents, beginning of year	3,112,499	1,177,497	4,289,995
Cash and cash equivalents, end of year	<u>\$ 3,539,184</u>	<u>\$ 733,596</u>	<u>\$ 4,272,780</u>
Cash and cash equivalents consists of:			
Unrestricted cash	\$ 111,803	\$ 332,305	\$ 444,108
Restricted cash	<u>3,427,381</u>	<u>401,291</u>	<u>3,828,672</u>
Cash and cash equivalents total	<u>\$ 3,539,184</u>	<u>\$ 733,596</u>	<u>\$ 4,272,780</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating Gain (loss)	\$ 481,919	154,522	636,441
Depreciation and amortization	-	(50,911)	(50,911)
Changes in operating assets and liabilities:			
(Increase) decrease in receivables	(62,705)	1,229	(61,476)
(Increase) decrease in due from other funds	(36,161)	(1,803)	-
(Increase) decrease in notes receivable	39,938	(383,788)	(343,849)
(Increase) decrease in other assets	319	-	319
Increase (decrease) accrued expense	19,739	-	19,739
Increase (decrease) compensated absence	7,185	-	7,185
Increase (decrease) in accounts payable	(40,223)	(5,942)	(46,165)
Net cash used by operating activities	<u>\$ 410,013</u>	<u>\$ (286,693)</u>	<u>\$ 123,319</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, 2019

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.

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 net 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, basis of accounting, and financial statement presentation

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 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	31.5 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 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 has been reported in the accompanying financial statements.

Compensated Absence paid time off (PTO) balance and change as of June 30, 2019 is summarized as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2019</u>
Compensated Absence	\$ 21,759	\$ 7,185	\$ -	\$ 28,944

H. Unearned Revenue

Grant revenue resulting from exchange transactions is recognized when the related costs are incurred. Unearned Revenue 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, 2019, our unearned

revenue balance was \$348,531. The majority of which was attributable to the; Foster Grandparent Program \$37K non-federal; WWW program \$186K non-federal; RSVP Program \$85K non-federal; and Ritchie RBEG \$41K federal.

I. 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 (Provision) for loan losses. The estimated provision for loan loss for MOVRC increased by \$21,754 and for MOVADC decreased by \$18,274 as of June 30, 2019.

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, 2019, 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	\$111,803	\$153,466
MOVADC	<u>\$332,305</u>	<u>332,305</u>
Total cash and cash equivalents	<u>\$435,108</u>	<u>\$485,771</u>

Restricted cash:

MOVRC federal grant and loan programs	\$3,427,380	\$3,367,263
MOVADC loan programs	<u>401,291</u>	<u>401,758</u>
Total restricted cash	<u>\$3,828,671</u>	<u>\$3,769,021</u>

At June 30, 2019, 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 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) 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, 2019, was as follows:

	<u>EDA-RLF</u>	<u>ARC-RLF</u>	<u>Foundation</u>	<u>MLF</u>
Notes receivable balance	\$ 515,286	\$ 1,254,013	\$ 174,802	\$ 332,413
Less allowance for bad debt	-	128,787	-	55,969
Net notes receivable balance	<u>\$ 515,286</u>	<u>\$ 1,125,226</u>	<u>\$ 174,802</u>	<u>\$ 276,444</u>

	<u>McDonough</u>	<u>RBEG</u>	<u>RDBG</u>	<u>Total</u>
Notes receivable balance	\$ 12,723	\$ 20,929	\$ 49,085	\$ 2,359,251
Less allowance for bad debt	-	-	14,950	199,707
Net notes receivable balance	<u>\$ 12,723</u>	<u>\$ 20,929</u>	<u>\$ 34,135</u>	<u>\$ 2,159,544</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, 2019, was as follows:

	<u>SSBCI</u>	<u>IRP</u>	<u>ADC</u>	<u>Total</u>
Notes receivable balance	\$ 1,063,148	\$ 3,113,796	\$ 5,983	\$ 4,182,926
Less allowance for bad debt	-	142,822	-	142,822
Net notes receivable balance	<u>\$ 1,063,148</u>	<u>\$ 2,970,974</u>	<u>\$ 5,983</u>	<u>\$ 4,040,104</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 follows:

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 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, 2019, was as follows:

MOVADC	June 30, 2018	Additions	Deletions	June 30, 2019
Capital Assets not being depreciated:				
Land	\$ 296,298	\$ -	\$ -	\$ 296,298
Capital Assets being depreciated:				
Buildings	1,817,175	-	-	1,817,175
Office Equipment	14,489	-	-	14,489
Total capital assets being depreciated:	1,831,664	-	-	1,831,664
Less accumulated depreciation for:				
Buildings	607,481	50,911	-	658,392
Office Equipment	14,489	-	-	14,489
Total accumulated depreciation	621,970	50,911	-	672,881
Total net capital assets being depreciated	1,209,694	(50,911)	-	1,158,783
Total capital assets, net of depreciation	<u>\$ 1,505,992</u>	<u>\$ (50,911)</u>	<u>\$ -</u>	<u>\$ 1,455,081</u>

NOTE 6. LONG-TERM DEBT – NOTES PAYABLE

MOVADC's long-term notes payable debt at June 30, 2019, was as follows:

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

\$ 352,453

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.	548,343
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.	701,081
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.	750,000
Note Payable to MOVADC-SSBCI loan program, payable in monthly installments of \$, 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.	500,000
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.	<u>70,867</u>
MOVADC's long-term notes payable debt at June 30, 2019	<u>\$ 2,922,744</u>

MOVADC's long-term debt activity for the year ended June 30, 2019, was as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Due within One Year
709 Market Street HNB	\$ 192,749	\$ -	\$ 121,882	\$ 70,867	\$ 70,867
709 Market Street SSBCI	499,918	82	-	500,000	-
USDA 2019	58,522	-	58,522	-	-
USDA 2031	380,486	-	28,033	352,453	28,313
USDA 2038	574,437	-	26,094	548,343	26,355
USDA 2041	725,662	-	24,581	701,081	24,827
USDA 2047	750,000	-	-	750,000	24,338
Total Notes Payable	<u>\$ 3,181,774</u>	<u>\$ 82</u>	<u>\$ 259,112</u>	<u>\$ 2,922,744</u>	<u>\$ 174,700</u>

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

Maturities of Long term debt

<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 174,700	\$ 35,555	\$ 210,254
2021	156,091	32,013	188,103
2022	158,173	29,930	188,103
2023	160,287	27,816	188,103
2024	162,433	25,670	188,103
2025-2030	845,504	95,012	940,515
2031-2035	481,759	52,852	534,612
2036-2040	414,961	30,335	445,296
2041-2045	305,907	12,367	318,274
2046-2050	62,931	940	63,871
Totals	<u>\$ 2,922,745</u>	<u>\$342,490</u>	<u>\$3,265,235</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, 2019, 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, 2019, 2018 and 2017, MOVRC contributed \$63,013, \$52,082 and \$49,567, 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.

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 MOVRC has transferred its risks related to health coverage and job-related injuries of employees.

NOTE 10. RELIANCE ON FEDERAL GRANTS

MOVRC derived 76% of its revenue from federal grants. During the federal budget process in 2019 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 process to have proposals to cut and increase programs.

MOVRC has renewed several federal grants extending into 2020: ARC grant approved to 12/31/2019, EDA grant approved to 3/31/2020, FGP grant approved to 6/30/2020, RSVP grant approved to 6/30/2020 and SCP grant approved to 6/30/2020.

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 Board decided not to renew the fiscal and management contract with the Wood County Senior Citizens Association Inc. that expired September 30, 2018. MOVRC continued to offer services to Wood County Seniors through January 31, 2019 solely on an as needed basis and for cost reimbursement which amounted to \$26,649 .

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, 2019**

	Appalachian Regional Commission	EECBG	Economic Dev. Admin.	Fee For Service	Foster Grandparents	ARC - Revolving Loan Fund	EDA- Revolving Loan Fund
REVENUES:							
Federal	\$ 49,248	\$ -	\$ 69,709	\$ -	\$ 513,017	\$ -	\$ 333,522
State	31,000	-	-	-	-	-	-
Local	217	-	5,569	-	-	-	-
Interest	7	-	2	-	7	37,362	18,799
Other	-	-	-	197,947	48,317	-	3,000
Total revenues	80,472	-	75,280	197,947	561,341	37,362	355,321
EXPENDITURES:							
Advertising and marketing	1,053	-	770	2,331	-	-	-
Allocation to Component Unit	-	2,397	-	(2,397)	-	8,264	4,648
Contract services	-	-	-	-	300	-	-
Dues, fees and memberships	-	-	-	-	-	-	-
Equipment rental and repair	-	-	-	-	-	-	-
Indirect costs	20,191	-	19,664	54,440	28,090	-	-
Insurance	-	-	-	-	889	-	-
Consumables and printing	1,117	-	329	101	1,964	-	-
Other and in-kind	750	-	-	-	65,238	279	107
Personnel	38,304	-	36,883	102,716	97,123	-	-
Personnel benefits	12,515	-	11,363	32,365	14,404	-	-
Postage	177	-	45	210	-	-	-
Provision for loan losses	-	-	-	-	-	23,648	-
Stipends	-	-	-	-	266,965	-	-
Telephone	-	-	-	-	-	-	-
Training/conference/workshops	-	-	-	-	-	-	-
Travel	6,364	-	6,227	5,784	86,368	-	-
Total expenditures	80,472	2,397	75,280	195,550	561,341	32,192	4,755
Excess (deficiency) of revenues over (under) expenditures	-	(2,397)	-	2,397	-	5,170	350,566
Net position at beginning of year	-	2,397	-	(1,669)	-	1,364,847	2,679,980
Net position at end of year	\$ -	\$ -	\$ -	\$ 728	\$ -	\$ 1,370,017	\$ 3,030,546

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, 2019 (continued)

	Ross Foundation Loan Fund	McDonough Foundation Loan Fund	Micro loan RLF	RBDG	Region VI RBEG	Loan Pool Admin.	Launchpad	Local
REVENUES:								
Federal	\$ -	\$ -	\$ -	\$ 23,100	\$ 101,088	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Local	-	-	-	-	-	-	-	65,741
Interest	3,091	340	8,865	233	38	-	-	287
Other	-	-	-	-	-	-	9,375	-
Total revenues	<u>3,091</u>	<u>340</u>	<u>8,865</u>	<u>23,333</u>	<u>101,125</u>	<u>-</u>	<u>9,375</u>	<u>66,028</u>
EXPENDITURES:								
Advertising and marketing	-	-	-	-	-	725	-	-
Allocation to Component Unit	-	-	2,053	-	-	(37,936)	-	-
Contract services	-	-	-	-	-	15,651	10,412	30,000
Dues, fees and memberships	-	-	-	-	-	-	-	7,500
Equipment rental and repair	-	-	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	5,676	-	-
Insurance	-	-	-	-	-	1,203	-	-
Consumables and printing	-	-	-	-	-	134	-	-
Other and in-kind	-	-	(48)	25	-	-	-	21,197
Personnel	-	-	-	-	-	10,710	-	-
Personnel benefits	-	-	-	-	-	2,739	-	2
Postage	-	-	-	-	-	53	-	11
Provision for loan losses	-	-	(1,707)	(188)	-	-	-	-
Stipends	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-
Training/conference/workshops	-	-	-	-	-	66	-	10,000
Travel	-	-	-	-	-	979	-	164
Total expenditures	<u>-</u>	<u>-</u>	<u>298</u>	<u>(163)</u>	<u>-</u>	<u>-</u>	<u>10,412</u>	<u>68,874</u>
Excess (deficiency) of revenues over (under) expenditures	3,091	340	8,567	23,496	101,125	-	(1,037)	(2,846)
Net postion at beginning of year	208,040	50,779	324,074	23,753	-	-	7,380	208,364
Net postion at end of year	<u>\$ 211,131</u>	<u>\$ 51,119</u>	<u>\$ 332,641</u>	<u>\$ 47,249</u>	<u>\$ 101,125</u>	<u>\$ -</u>	<u>\$ 6,343</u>	<u>\$ 205,518</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, 2019 (continued)

	Senior Volunteer Program	Ritchie RBEG	Senior Companion Program	Senior Bingo	Assoc. Reg. Plan & Dev.	Interstate Planning Commission	WV AMPO	Combined Total Special Revenue
REVENUES:								
Federal	\$ 80,995	\$ -	\$ 477,435	\$ -	\$ -	\$ 273,634	\$ -	\$ 1,921,748
State	-	-	-	-	-	34,204	-	65,204
Local	-	-	-	-	-	34,141	-	105,669
Interest	40	880	5	-	28	63	-	70,046
Other	29,805	-	50,095	7,073	11,511	-	3,921	361,045
Total revenues	110,840	880	527,535	7,073	11,540	342,042	3,921	2,523,711
EXPENDITURES:								
Advertising and marketing	-	-	-	-	-	1,499	-	6,378
Allocation to Component Unit	-	-	-	-	-	-	-	(22,970)
Contract services	200	-	-	-	17,505	-	-	74,068
Dues, fees and memberships	-	-	-	-	-	-	-	7,500
Equipment rental and repair	-	-	-	-	-	-	-	-
Indirect costs	16,702	-	21,344	-	-	96,078	-	262,185
Insurance	1,357	-	758	-	-	-	-	4,206
Consumables and printing	3,362	-	2,508	-	2,648	5,276	-	17,439
Other and in-kind	36,610	-	35,166	9,501	300	-	8	169,132
Personnel	35,548	-	55,179	-	-	182,344	-	558,806
Personnel benefits	5,027	-	14,933	-	-	51,246	-	144,594
Postage	-	-	-	-	5	135	-	636
Provision for loan losses	-	-	-	-	-	-	-	21,754
Stipends	-	-	313,746	-	-	-	-	580,711
Telephone	-	-	-	-	-	-	-	-
Training/conference/workshops	-	-	-	-	-	2,388	-	12,453
Travel	12,034	-	83,901	-	-	3,077	-	204,899
Total expenditures	110,840	-	527,535	9,501	20,458	342,042	8	2,041,792
Excess (deficiency) of revenues over (under) expenditures	-	880	-	(2,428)	(8,919)	-	3,914	481,919
Net postion at beginning of year	-	94,569	-	2,428	50,042	-	4,059	5,019,043
Net postion at end of year	\$ -	\$ 95,449	\$ -	\$ -	\$ 41,123	\$ -	\$ 7,973	\$ 5,500,962

Mid-Ohio Valley Development Corporation
Combing by Program Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ending June 30, 2019

	Intermediary Relending Program	State Small Business Initiative	Economic Development and Administrative Facility Rental	Totals
REVENUES:				
Interest	\$ 80,810	\$ 24,617	\$ 256	\$ 105,684
Subsidy loan net expense recovery	-	-	59,663	59,663
Rental income	-	-	134,761	134,761
Total revenues	<u>80,810</u>	<u>24,617</u>	<u>194,680</u>	<u>300,108</u>
EXPENDITURES:				
Personnel	-	-	93	93
Personnel benefits	-	-	24	24
Repairs and Maintenance	-	-	3,335	3,335
Insurance	-	-	11,456	11,456
Interest	24,891	-	17,282	42,173
Indirect costs	-	-	49	49
Other	19,616	5,666	30,536	55,818
Provision for loan losses	(18,274)	-	-	(18,274)
Depreciation	-	-	50,911	50,911
Total expenditures	<u>26,233</u>	<u>5,666</u>	<u>113,688</u>	<u>145,586</u>
Changes in net position	54,578	18,951	80,992	154,522
Net Position at beginning of year	<u>1,019,265</u>	<u>1,053,073</u>	<u>1,094,345</u>	<u>3,166,683</u>
Net Position at end of year	<u>\$ 1,073,843</u>	<u>\$ 1,072,024</u>	<u>\$ 1,175,337</u>	<u>\$ 3,321,205</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, 2019

	<u>Appalachian Regional Commission</u>		<u>Economic Development Administration</u>	
	<u>Six Months</u> <u>Ended 12/31/18</u>	<u>Six Months</u> <u>Ended 6/30/19</u>	<u>Nine Months</u> <u>Ended 3/31/19</u>	<u>Three Months</u> <u>Ended 6/30/19</u>
REVENUES:				
Federal	\$ 7,495	\$ 41,753	\$ 52,500	\$ 17,209
State	-	31,000	-	-
Local	217	(0)	5,569	0
Interest	3	4	1	1
Other	-	-	-	-
Total revenues	<u>7,715</u>	<u>72,757</u>	<u>58,070</u>	<u>17,210</u>
EXPENDITURES:				
Advertising and marketing	563	490	770	-
Indirect costs	1,591	18,600	15,132	4,532
Consumables and printing	175	942	319	10
Other and in-kind	750	-	-	-
Personnel	3,001	35,303	28,551	8,332
Personnel benefits	885	11,630	8,753	2,610
Postage	19	158	45	(0)
Travel	731	5,633	4,500	1,727
Total expenditures	<u>7,715</u>	<u>72,757</u>	<u>58,070</u>	<u>17,210</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, 2019**

	Indirect Costs		Variance
	Budget	Actual	Inc. (Dec.)
Indirect costs:			
Salaries and personnel	\$ 157,653	\$ 166,884	\$ 9,231
Personnel benefits	44,145	39,553	(4,592)
Audit costs	21,000	18,326	(2,674)
Meals and meeting costs	7,000	1,998	(5,002)
Consultants	3,000	1,519	(1,482)
Dues	2,000	1,635	(365)
Service and miscellaneous	550	299	(251)
Parking	6,300	6,000	(300)
Travel	22,318	16,936	(5,382)
Insurance	9,463	8,170	(1,293)
Office rental	63,010	63,010	-
Office equipment	3,596	143	(3,453)
Computer expense	18,500	20,529	2,029
Consumable supplies and printing	13,523	19,252	5,729
Postage expense	4,098	3,717	(381)
Telephone expense	10,000	8,809	(1,191)
Trash expense	1,368	953	(415)
Cleaning and janitorial	5,000	1,485	(3,515)
Advertising	2,000	2,128	128
Utilities	20,000	8,255	(11,745)
Board of directors	1,000	713	(287)
Unallocated	7,640	-	(7,640)
Training and education	13,000	8,905	(4,095)
Total indirect before income offsets	436,164	399,218	(36,946)
Less:			
M&A charge to MOVWIC	(106,267)	(110,290)	(4,023)
MOVADC indirect	(376)	(49)	327
Contractual Income with WCSC	(52,000)	(26,649)	25,351
Interest income	-	(45)	(45)
Total income offsets	(158,643)	(137,033)	21,610
Total indirect costs	<u>\$ 277,521</u>	<u>\$ 262,185</u>	<u>\$ (15,336)</u>

**Mid-Ohio Valley Regional Planning and Development Council
Schedule of Expenditures of Federal Awards
Fiscal Year Ending June 30, 2019**

Federal Grantor Pass-through Grantor Program Title	CFDA Number	Pass-through Grantor's Number	Grant Period	Total Grant Award	Total Federal Expenditures
Corporation for National and Community Services					
Pass-through the Office of Economic Opportunity (OEO)					
Foster Grandparent/Senior Companion Cluster					
Senior Companion Program	94.016	16SCSWV001	7/1/2018-6/30/2019	\$ 485,700	\$ 477,435
ACTION: Foster Grandparent	94.011	16SFSWV001	7/1/2018-6/30/2019	513,967	<u>513,017</u>
Foster Grandparent/Senior Companion Cluster total					990,452
Retired Senior Volunteer Program	94.002	16SRSWV005	7/1/2018-6/30/2019	57,026	54,478
Retired Senior Volunteer Program	94.002	17SRSWV002	7/1/2018-6/30/2019	75,000	<u>26,517</u>
Total Corporation for National and Community Services					1,071,447
Appalachian Regional Commission					
Revolving Loan Fund	23.011	01-39-02806	N/A	N/A	1,357,257
Appalachian Local Development District Assistance	23.009	WV-2284-C46-19	1/1/2019-12/31/2019	77,775	41,753
Appalachian Local Development District Assistance	23.009	WV-2284-C45-R1-187	1/1/2018-12/31/2018	77,715	<u>7,495</u>
Total Appalachian Regional Commission					1,406,505
U.S. Department of Commerce, Economic Development Administration					
Revolving Loan Fund	11.307	01-57-02806	N/A	N/A	2,962,205
Support for Planning Organizations	11.302	ED 01-83-14290.02	4/1/2019-3/31/2020	70,000	17,209
Support for Planning Organizations	11.302	ED16PHI3020033	4/1/2018-3/31/2019	70,000	<u>52,500</u>
Total U.S. Department of Commerce, Economic Development Administration					3,031,914
U.S. Department of Agriculture, Rural Business Cooperative Service					
Intermediary Relending Program	10.767		N/A	N/A	981,437
Rural Business Development Grant (RBDG)	10.351	57-054-471972297	N/A	52,500	23,100
Rural Business Enterprise Grant (RBEG)	10.351	Region VI transfer	N/A	101,088	<u>101,088</u>
Total U.S. Department of Agriculture, Rural Business Cooperative Service					1,105,624
U. S. Department of Transportation					
Highway Planning and Construction Cluster DOT					
Passed through West Virginia DOT	20.205	WV AU-180-G	7/1/2018-6/30/2019	200,178	196,173
Passed through Ohio DOT	20.205	OHIO DOTC 30098-3	7/1/2018-6/30/2019	25,000	-
Passed through Ohio DOT	20.205	OHIO DOTC 30098-4	7/1/2018-6/30/2019	79,042	<u>77,461</u>
Total Highway Planning and Construction - Cluster					273,634
Total Expenditures of Federal Awards					<u>\$ 6,889,124</u>

**Mid-Ohio Valley Regional Planning and Development Council
Notes to Schedule of Expenditures of Federal Awards
Fiscal Year Ending June 30, 2019**

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 2 CFR Part 200 (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 minimis indirect rate. We used an US-Economic Development Agency approved rate of .53 of direct labor.

NOTE 3. LOANS RECEIVABLE OUTSTANDING

MOVRC had the following balances of loans receivable, net outstanding at June 30, 2019, under federal loan programs

Program Title:	CFDA	Amount
US - EDA Revolving Loan Fund	# 11.307	\$ 515,286
Appalachian Regional Commission-RLF	# 23.011	1,125,226
Intermediary Relending Program	# 10.767	2,970,974
Total		<u>\$ 4,611,485</u>

NOTE 4. EDA RLF Calculated Federal Expenditures

	Program CFDA	EDA # 11.307	IRP # 10.767
Outstanding loan balance 6/30/19		\$ 515,286	\$ 2,970,974
Cash / investment balances 6/30/19		2,598,070	393,675
Loans written off FY 2019		-	-
Administrative Expenses		4,755	19,616
Sub-total		3,118,111	3,384,264
Federal participation rate		0.95	0.29
Total considered being federal expenditures		<u>\$ 2,962,205</u>	<u>\$ 981,437</u>

	Program CFDA	ARC # 23.011
Outstanding loan balance 6/30/18		\$ 1,169,895
Current fiscal year loan disbursements		150,000
Current fiscal year program income		37,362
Total considered being federal expenditures		<u>\$ 1,357,257</u>

Stephen P. Glaser CPA

1021 7th Avenue
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, 2019, and the related notes to the financial statements, which collectively comprise MOVRC's basic financial statements, and have issued our report thereon dated December 19, 2019.

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 19, 2019

Stephen P. Glaser CPA

1021 7th Avenue
St. Albans, WV 25177

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, 2019. 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, 2019

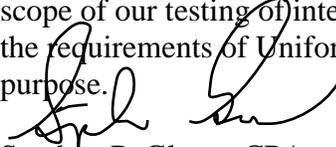
Report on Internal Control over Compliance

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 19, 2019

MID-OHIO VALLEY REGIONAL PLANNING AND DEVELOPMENT COUNCIL
Schedule of Findings and Questioned Costs
Fiscal Year Ending June 30, 2019

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

Appalachian Regional Commission

Revolving Loan Fund	23.011
Appalachian Local Development District Assistance	23.009

U.S. Department of Commerce, Economic Development Administration

Revolving Loan Fund	11.307
Support for Planning Organizations	11.302

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, 2019

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.