Belomar Regional Council and Interstate Planning Commission

Financial Statements and Independent Auditor's Report

For the Fiscal Year Ended June 30, 2025

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
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Financial Section

Ferrari & Associates, PLLC
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Independent Auditor's Report

To the Board of Directors
Belomar Regional Council and Interstate Planning Commission
Wheeling, West Virginia 26003

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of the Belomar Regional Council and Interstate Planning Commission (Belomar), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Belomar's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of Belomar as of June 30, 2025, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Belomar and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Belomar's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Belomar's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Belomar's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Belomar's basic financial statements. The accompanying Schedule of Indirect Rate Calculation, Schedule of State Grant Receipts and Expenditures, Budgetary Comparison Schedule and Notes, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Indirect Rate Calculation, Schedule of State Grant Receipts and Expenditures, Budgetary Comparison Schedule and Notes, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principles

As discussed in Note I, during the year ended June 30, 2025, Belomar adopted new accounting guidance, the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* GASB Statement No. 102, *Certain Risk Disclosures,* GASB Statement No. 103, *Financial Reporting Model Improvements,* and GASB Statement No. 104, *Disclosure of Certain Capital Assets.* Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2025, on our consideration of Belomar'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 solely 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 the effectiveness of Belomar's 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 Belomar's internal control over financial reporting and compliance.

Ferrari & Associates, PLLC

Morgantown, West Virginia
November 28, 2025

This section of the Belomar Regional Council's (the "Council") annual financial report presents a discussion and analysis of the Council's financial performance for the fiscal year ended June 30, 2025. This analysis is designed to provide an objective and easily readable overview of the Council's financial activities based on currently known facts, decisions, and conditions. It should be read in conjunction with the Council's financial statements and the accompanying notes, which follow this section.

A key best practice for governmental financial reporting is recognized by the Government Finance Officers Association (GFOA) through its Certificate of Achievement for Excellence in Financial Reporting Program. This program encourages state and local governments to prepare comprehensive annual financial reports that evidence a spirit of transparency and full disclosure. This MD&A is crafted to align with these principles, aiming to provide a clear and comprehensive narrative of the Council's financial activities.

The structure and content of this Management's Discussion and Analysis (MD&A) are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements. This standard confines the MD&A to five specific topics to enhance the focus and effectiveness of the analysis.

1. Overview of the Financial Statements

The Council's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private-sector business. These statements, which include the Statement of Net Position and the Statement of Activities, are prepared using the accrual basis of accounting.

- The Statement of Net Position presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.
- The Statement of Activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The governmental activities of the Council include transportation planning, management services, and aging services. The Council does not have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower, a reconciliation is provided to facilitate the comparison between the fund statements and the government-wide financial statements.

2. The Financial Summary

The following tables present condensed financial information derived from the government-wide financial statements, comparing the results of the current year to the prior year.

Condensed Statement of Net Position

	2025	2024	$ Change	% Change
Current and other assets	3,513,510	3,608,984	(95,474)	-2.65%
Capital assets, net	135,205	142,457	(7,252)	-5.09%
Total Assets	3,648,715	3,751,441	(102,726)	-2.74%
Current and other liabilities	3,312,503	3,496,461	(183,958)	-5.26%
Noncurrent liabilities	208,017	100,490	107,527	107.00%
Total Liabilities	3,520,520	3,496,461	(183,958)	-5.26%
Net Position				
Invested in capital assets	16,046	(2,326)	18,372	-789.85%
Unrestricted net position	112,149	51,666	60,483	117.07%
Total Net Position	128,195	49,340	78,855	159.82%

Condensed Changes in Net Position

	2025	2024	$ Change	% Change
Program Revenues				
Transportation Planning	517,781	216,192	301,589	139.50%
Management Services	1,090,886	435,365	655,521	150.57%
Aging Services	9,437,448	9,452,778	(15,330)	-0.16%
Agency	654,891	604,073	50,818	8.41%
Total Program Revenues	11,701,006	10,708,408	992,598	9.27%
Expenses				
Transportation Planning	570,404	273,482	296,922	108.57%
Management Services	1,093,205	436,591	656,614	150.40%
Aging Services	9,437,448	9,452,778	(15,330)	-0.16%
Agency	533,364	464,453	68,911	14.84%
Total Expenses	11,634,421	10,627,304	1,007,117	9.48%
Net (Expense)/Revenue	66,585	81,104	(14,519)	-17.90%
Total General Revenues	12,270	12,389	(119)	-0.96%
Change in Net Position	78,855	93,493	(14,638)	-15.66%
Net Position - Beginning	49,340	(44,153)		
Net Position - Ending	128,195	49,340		

3. Detailed Analyses of Financial Position and Results of Operations

The Council's overall financial position improved during the fiscal year ended June 30, 2025. Its total net position increased by $78,855, resulting in an ending net position of $128,195. This analysis explains the reasons for significant changes in the Council's financial position and operations.

Analysis of Operations

The Council's programmatic activity grew substantially in fiscal year 2025, driven by an expansion of grant-funded projects in its Management Services and Transportation Planning departments. Total program revenues increased by $992,598 (9.3%), while total expenses increased by a corresponding $1,007,117 (9.5%). This demonstrates that the growth in spending was directly tied to the delivery of expanded services to the region.

The primary drivers for this growth were:

- **Management Services**: Program revenues and expenses both grew by over $655,000 (150%). This significant increase is a direct result of the department's active administration of numerous federal and state grants for community and economic development. Projects administered during the year included EPA Brownfields Coalition grants, Community Development Block Grants (CDBG) for several member communities, and various water, sewer, and broadband infrastructure projects. The increase in expenses reflects the personnel, contractual, and administrative costs necessary to manage these complex regional initiatives.

- **Transportation Planning**: Revenues in this department grew by over $300,000 (139.5%), with a corresponding expense increase of nearly $297,000 (108.6%). This reflects intensified activity related to the Council's role as the designated Metropolitan Planning Organization for the Wheeling urbanized area. Work during the year focused on maintaining the Transportation Improvement Program, updating digital databases and transit mapping through the GIS program, and coordinating with local transit authorities.

In contrast, the Aging Services department, which represents the largest portion of the Council's budget, remained stable, with both revenues and expenses showing a negligible decrease.

Analysis of Financial Position

The Council's net position of $128,195 is comprised of $16,046 invested in capital assets and $112,149 in unrestricted net position, which is available to meet the Council's ongoing obligations. The improvement in financial position was also supported by effective management of liabilities. Total liabilities decreased by $76,431, primarily due to a $29,283 (29.1%) reduction in noncurrent liabilities, reflecting the Council's progress in meeting its long-term obligations.

4. Significant Capital Asset and Long-Term Financing Activity

Capital Assets

As of June 30, 2025, the Council's investment in capital assets, net of accumulated depreciation, was $135,205. This compares to $142,457 at the end of the prior fiscal year. The Council's capital assets consist of equipment and leasehold improvements. During the fiscal year, there were three capital asset additions totaling $64,476 and two disposals totaling $44,120. The net impact of this activity, when combined with annual depreciation, resulted in the overall decrease in net capital assets of $7,252. There were no new commitments for the purchase of capital assets during the fiscal year.

Long-Term Financing

The Council continued to reduce its long-term obligations during the year. Noncurrent liabilities decreased from $100,490 to $71,207. The Council did not enter into any new long-term financing arrangements, such as debt, leases, or Subscription-Based Information Technology Arrangements (SBITAs), during the fiscal year ended June 30, 2025.

5. Currently Known Facts, Decisions, or Conditions

The Council's funding is an aggregation of federal, state, and local sources. The availability of this funding, particularly for federal and state grants that support a majority of the Council's programs, can be affected by prevailing political and economic circumstances, creating a degree of financial uncertainty from year to year. Management must always consider these financial realities when evaluating the Council's fiscal integrity.

As such, management and the Board of Directors actively monitor legislative changes and economic trends that could impact future funding for regional planning, economic development, transportation, and aging services. The Council is proactively engaged in seeking diverse grant opportunities and demonstrating the value of its programs to ensure continued financial stability and service to the region.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
STATEMENT OF NET POSITION
June 30, 2025

		Governmental Activities
ASSETS		
Current assets:		
Cash and cash equivalents	$	1,839,697
Prepaid expenses		11,139
Investments		199,248
Receivables:		
Grants and contracts		1,456,723
Other		6,703
Total current assets		**3,513,510**
Capital assets:		
Depreciable:		
Leasehold improvements		21,150
Equipment		25,071
Leased office space (intangible asset)		235,803
Leased equipment (intangible asset)		4,076
Leased vehicle (intangible asset)		35,329
Less accumulated depreciation and amortization		(186,224)
Total capital assets		**135,205**
Total assets	**$**	**3,648,715**
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$	1,139,255
Line of credit		60,496
Unearned revenue		2,041,720
Compensated absences, current		23,080
Lease payable, current		47,952
Total current liabilities		**3,312,503**
Noncurrent liabilities:		
Compensated absences		136,810
Lease payable		71,207
Total noncurrent liabilities		**208,017**
Total liabilities		**3,520,520**
NET POSITION		
Invested in capital assets		16,046
Unrestricted		112,149
Total net position		**128,195**
Total liabilities and net position	**$**	**3,648,715**

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

	Total	Agency	Transportation Planning	Management Services	Aging Services
Expenses:					
Salaries and wages	$ 547,608	$ 139,721	$ 119,145	$ 188,858	$ 99,884
Fringe benefits	399,284	119,154	83,349	140,387	56,394
Travel	19,574	13,166	2,587	2,928	893
Printing and supplies	42,497	21,683	11,158	4,172	5,484
Communications	6,234	1,105	309	4,820	-
Other expenses	504,779	152,033	352,746	-	-
Equipment	-	-	-	-	-
Utilities	29,590	29,590	-	-	-
Interest	4,795	4,795	-	-	-
Aging expenses	9,201,747	-	-	-	9,201,747
Other program expenses	826,196	-	1,110	752,040	73,046
Depreciation and amortization	52,117	52,117	-	-	-
Total expenses	11,634,421	533,364	570,404	1,093,205	9,437,448
Program Revenues:					
Operating grants and contributions	11,639,042	592,927	517,781	1,090,886	9,437,448
Per capita dues	61,964	61,964	-	-	-
Net Program Revenue (Expense)	66,585	$ 121,527	$ (52,623)	$ (2,319)	$ -
General revenues:					
Unrestricted investment gain	10,301				
Interest	1,969				
Total general revenues	12,270				
Change in net position	78,855				
Net position - beginning of year (restated)	49,340				
Net position - end of year	$ 128,195				

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

		General
ASSETS		
Cash and cash equivalents	$	1,839,697
Prepaid expenses		11,139
Investments		199,248
Receivables:		
Grants and contracts		1,456,723
Other		6,703
Total assets	**$**	**3,513,510**
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	$	1,139,255
Line of credit		60,496
Unearned revenue		2,041,720
Compensated absences		23,080
Total liabilities		**3,264,551**
FUND BALANCES		
Unassigned		248,959
Total fund balances		**248,959**
Total liabilities and fund balances	**$**	**3,513,510**

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2025

Total fund balances on the governmental fund's balance sheet	$	248,959
The total fund balance of the governmental funds differs from net position of the governmental activities reported on the Statement of Net Position as follows:		
Capital assets used in governmental activities are not financial resources and, therefore not in the funds.		135,205
Lease liabilities have been reflected in the governmental fund only for the portion of estimated future payments that will use current expendable resources.		(119,159)
Accrued vacation payable has been reflected in the governmental fund only for the portion of estimated future payments that will use current expendable resources.		(136,810)
Net position of government activities	$	128,195

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025

	General
REVENUES	
Intergovernmental:	
Federal	$ 4,261,112
State	6,745,674
Local	632,256
Per capita dues	61,964
Investment loss	10,301
Interest	1,969
Total revenues	11,713,276
EXPENDITURES	
Current:	
Agency	500,165
Transportation planning	572,480
Management services	1,083,469
Aging services	9,439,160
Debt service:	
Lease financing - principal	45,187
Lease financing - interest	5,026
Total expenditures	11,645,487
Excess (deficiency) of revenues over expenditures	67,789
Net change in fund balances	67,789
Fund balances - beginning (restated)	181,170
Fund balances - ending	$ 248,959

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURS
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

Net change in fund balances - total governmental funds	$	67,789
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as an expenditure in the governmental funds. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount depreciation and amortization expense exceeded capital outlays during the year.		(26,815)
Lease proceeds are reported as current financial resources in the governmental funds. In the statement of activities, issuance of debt is treated as a liability. Repayment of lease principal is reported as an expenditure in the government funds. In the statement of activities, repayments are reported as a reduction in lease liabilities. This is the amount of lease payments during the year.		45,187
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in the governmental funds. This is the change in compensated absences.		(7,306)
Change in net position of governmental activities	$	78,855

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Belomar Interstate Planning Commission was established in 1969 by the states of Ohio and West Virginia. Belmont, Ohio and Marshall Counties were included. In 1971, WV Code §8-25 created the Region 10 Planning and Development Council for the counties of Ohio, Marshall and Wetzel. Later the Belomar Interstate Planning Commission's official name was changed to the Belomar Regional Council and Interstate Planning Commission (Belomar) covering the four counties of Belmont, Ohio, Marshall and Wetzel. Belomar's governing board is composed primarily of mayors and county commissioners with representation provided to business/industry, minorities, transportation entities and the elderly population. Belomar appoints an Executive Director to manage its operations and to direct a staff. Belomar's office is located at 105 Bridge Street Plaza, Wheeling, West Virginia. Belomar is empowered to provide more efficient solutions to common economic, transportation and social problems and needs of the communities within the four counties in its jurisdiction. These solutions are commonly defined through the provision of technical assistance offered by the professional staff of the council. This assistance includes, but is not limited to, community development planning, project development, project funding assistance, project coordination and administration, intergovernmental review coordination, transportation planning and the delivery of social services. There are three departments within the organization. The departments are: Management Services, Transportation Planning, and Aging Services.

Belomar's Management Services Department provides those services probably most frequently associated with regional councils. Community and economic development planning, grant writing and administration for infrastructure projects, and housing development are this department's responsibility. The Management Services Department fills the void for the many small communities in the four-county region lacking professional management in-house. Belomar's operations are funded through a variety of federal, state and local sources. Presently, the Belmont County membership pays dues of 38¢ per capita. The West Virginia membership contributes 43¢ per capita. Dues are based on the most recent U.S. Census.

Government-Wide and Governmental Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses have been included as part of program expenses on the statement of activities. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported as general revenue. Major individual governmental funds are reported as separate columns in the fund financial statements. The effect of internal activity has been removed from these statements. Belomar has one governmental fund (General Fund) which is supported primarily by intergovernmental revenues. There are no business-type activities at Belomar.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after the end of the

current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Grants and similar items are recognized as revenue in the fund financial statements as soon as all eligibility requirements imposed by the provider have been met and the resources become available.

Fund Accounting

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

Governmental Funds

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

Revenues – Non-Exchange Transactions

Belomar's primary source of non-exchange revenue is derived from grants. On an accrual basis, revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which Belomar must provide local resources to be used for a specific purpose, and expenditure requirements.

Expenses/Expenditures

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions or fiscal agents, and money market deposits with trust departments.

Capital Assets

Purchased capital assets are reported at cost. Capital assets are depreciated using the straight-line method over their estimated useful lives less any salvage value. Belomar's policy is to capitalize any purchase of $5,000 or more as a capital asset.

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

Improvements	5 years
Leased assets	3-10 years
Equipment	3 years

Investments

Investments consist of mutual funds and are stated at fair value based on quoted market prices.

Compensated Absences

Belomar's policy permits employees to accumulate earned but unused vacation and sick pay benefits. A liability for these amounts is reported in the government-wide financial statements as employees earn the rights to the benefits. The liability is measured based on the number of hours accumulated at the employee's current hourly rate. For sick leave, the liability includes the portion that is considered more likely than not (a likelihood of more than 50% based on historical data) to be paid out upon termination. The total liability for both vacation and sick amounts includes Belomar's share of payroll taxes and required pension plan contributions.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are Nonspendable, Restricted, Committed, Assigned, and Unassigned. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, Belomar considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, Belomar considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net position is reported as restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments. Net position is reported as invested in capital assets for the portion of net position related to the historical cost of capital assets less any accumulated depreciation and less any debt that remains outstanding that was used to finance those capital assets. All other net position is reported as unrestricted. When an expense is incurred that can be paid using either restricted or unrestricted resources, the Belomar's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Indirect Cost Allocation

An indirect cost allocation plan is developed annually so that indirect costs incurred can be allocated to certain grants, based on rates devised by Belomar. These costs are adjusted to the actual at the end of each fiscal year.

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

New Accounting Pronouncements

For the fiscal year ended June 30, 2025, Belomar implemented GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences, and GASB Statement No. 102, *Certain Risk Disclosures*, which requires disclosure of essential information about risks related to certain concentrations or constraints.

Belomar also early implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, which makes targeted enhancements to key components of the financial reporting model, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain capital assets, such as intangible right-to-use assets, to be disclosed separately from owned capital assets.

NOTE II – BUDGET

Although Belomar is not legally required to adopt a budget, Belomar's Board of Directors adopts an annual budget for the General Fund on a basis consistent with generally accepted accounting principles (GAAP). This budget serves as the financial plan for the fiscal year. A Budgetary Comparison Schedule for the General Fund is presented as Supplementary Information (SI) to demonstrate compliance with the adopted budget.

NOTE III – RETIREMENT PLAN AND OTHER POST-EMPLOYMENT BENEFITS

Defined Contribution Pension Plan:

Belomar sponsors a defined contribution money purchase pension plan covering substantially all full-time employees. The plan is administered by the MissionSquare, and the authority to establish and amend plan provisions rests with Belomar's Board of Directors. For the fiscal year ended June 30, 2025, the plan covered 28 employees. Contributions are based on a percentage of each eligible employee's compensation. The employer contributes 6.6% of the first $9,600 of annual salary and 12.3% above $9,600 of annual salary for each eligible employee. Employees are required to contribute 4% of their annual salary. Participants are 30% vested after three years of service and 100% vested after seven years. Any forfeitures are used to offset the current employer pension expense. For the year ended June 30, 2025, employer contributions were $61,542 and employee contributions were $28,500.

Other Post-Employment Benefits (OPEB)

The Council does not provide any post-employment benefits other than the pension plan described above. Employees' eligibility for health insurance benefits ceases upon termination of employment. Therefore, the Council has no OPEB liability under GASB Statement No. 75.

NOTE IV – FAIR VALUE

Belomar categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Methodologies

The following is a description of the valuation methodologies used by Belomar. There have been no changes in the methodologies of Belomar's investments.

Mutual Funds:

Valued at the daily closing price as reported by the fund. Mutual funds held by Belomar are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by Belomar are actively traded.

NOTE V – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

Belomar adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement requires the recognition of a right-to-use subscription asset and a corresponding subscription liability for SBITAs with terms longer than 12 months. Belomar conducted a comprehensive review of its information technology contracts and determined that it does not have any arrangements that meet the definition of a SBITA as of June 30, 2025.

NOTE VI – DEPOSITS AND INVESTMENTS

Belomar's investment authority is held by the Board of Directors. The Board of Directors has the right to invest the funds as they deem appropriate.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Belomar's deposits may not be returned to it. At June 30, 2025, the carrying amount of Belomar's deposits was $1,839,697. Of this balance, $250,000 was covered by Federal Deposit Insurance Corporation (FDIC) insurance. The remaining balance of $1,589,697 was uninsured and uncollateralized, exposing Belomar to custodial credit risk.

Investment Risk Policies

Credit Risk: It is Belomar's policy to limit its investments to high-quality, rated instruments to minimize the risk of loss due to the failure of the security issuer or backer.

Concentration of Credit Risk: The policy places limits on the amount Belomar may invest in any one issuer to avoid losses from overconcentration in a specific issuer. As of June 30, 2025, Belomar had no investments in any one issuer that represented 5% or more of total investments.

Interest Rate Risk: To manage its exposure to fair value losses arising from increasing interest rates, Belomar's policy is to structure its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Investments held by Belomar as of June 30, 2025 are summarized below:

	Level (Note IV)	Governmental
Mutual funds	1	$ 199,248

The interest rate and credit risk ratings of these investments is as follows:

		Interest Rate and Credit Risk Ratings	
	Fair Value	Maturity Range	Credit Quality
WesMark Government Bond Fund	$ 199,248	20-30 years	AAA
	$ 199,248		

NOTE VII – CAPITAL ASSETS

In accordance with GASB Statement No. 104, *Disclosure of Certain Capital Assets* , the Council's owned capital assets are presented separately from its intangible right-to-use assets obtained through lease agreements. A summary of changes in capital assets for the fiscal year ended June 30, 2025, is as follows:

Capital Assets, Owned

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets being depreciated/amortized				
Leasehold improvements	$ 21,150			$ 21,150
Equipment	6,351	25,071	(6,351)	25,071
	27,501	25,071	(6,351)	46,221
Less: Accumulated deprecation for:				
Leasehold improvements	19,034	2,116		21,150
Equipment	6,351	3,104	(6,351)	3,104
Total depreciation and amortization	25,385	5,220	(6,351)	24,254
Total capital assets, net	$ 2,116	19,851	-	$ 21,967

Intangible Right-to-Use Assets, Leased

	Beginning Balance	Additions	Deductions	Ending Balance
Intangible assets being amortized				
Leased office space (intangible asset)	$ 235,803			235,803
Leased equipment (intangible asset)	-	4,076		4,076
Leased vehicle (intangible asset)	37,769	35,329	(37,769)	35,329
	273,572	39,405	(37,769)	275,208
Less: Accumulated amortization for:				
Leased office space (intangible asset)	119,562	39,855		159,417
Leased equipment (intangible asset)	-	1,359		1,359
Leased vehicle (intangible asset)	13,669	5,683	(18,158)	1,194
Total amortization	133,231	46,897	(18,158)	161,970
Total intangible assets, leased, net	$ 140,341	(7,492)	(19,611)	$ 113,238

NOTE VIII – LEASE COMMITMENTS

Leased Office Space

Belomar entered into a lease agreement related to its office space for a five-year term beginning June 1, 2017, and ending on May 31, 2022. The lease automatically renewed for a five-year term beginning June 1, 2022, and ending on May 31, 2027. Annual rent for the fiscal year ending June 30, 2025, was $44,100. The present value of the leased office space and accumulated amortization were $235,803 and $159,417, respectively. The nominal rate used is 3.25%. The following is the future lease payment maturity schedule for the leased office space:

	Principal	Interest	Total
2026	$ 42,063	$ 2,037	$ 44,100
2027	39,776	649	40,425
	$ 81,839	$ 2,686	$ 84,525

Leased Postage Machine

Belomar entered into a lease agreement for the use of a postage machine for a three-year term beginning July 1, 2024, and ending on June 30, 2027. The present value of the leased postage machine and accumulated amortization were $4,076 and $1,359, respectively. The nominal rate used is 2.16%. The following is the future lease payment maturity schedule for the leased postage machine:

	Principal	Interest	Total
2026	$ 1,407	$ 3,380	$ 4,787
2027	1,407	2,037	3,444
	$ 2,814	$ 5,417	$ 8,231

Leased Vehicle

Belomar entered into a lease agreement for the use of a vehicle for a three-year term beginning April 18, 2025, and ending on April 17, 2028. The agreement includes the right to purchase the asset at the end of the lease term. The present value of the leased vehicle and accumulated amortization were $35,329 and $1,194, respectively. The interest rate used is 20%. The following is the future lease payment maturity schedule for the leased vehicle:

	Principal	Interest	Total
2026	$ 4,530	$ 1,116	$ 5,646
2027	4,530	1,116	5,646
2028	25,515	930	26,445
	$ 34,575	$ 3,162	$ 37,737

NOTE IX – LOCAL MATCH – GRANTS

$71,593 of local funds were transferred to various grant programs during the year for matching of federal grant monies, as required by grant agreements.

NOTE X – CONTINGENCIES

Belomar participates in various federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE XI – CONCENTRATION OF REVENUE

Belomar receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of this support, if such were to occur, would have a material effect on Belomar's programs and activities. Belomar has evaluated its revenue sources in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. While dependent on intergovernmental revenues, no specific concentration is known to exist that makes Belomar vulnerable to the risk of a substantial impact from an event that is more likely than not to begin to occur within 12 months of the financial statement date.

NOTE XII - LITIGATION

In the normal course of operations, Belomar is a defendant related to claims and lawsuits. Belomar maintains comprehensive insurance coverage with private carriers to protect itself from such claims and lawsuits.

NOTE XIII – LINE OF CREDIT

Belomar has a line of credit agreement with a local bank in the amount of $200,000, with an interest rate of 7.85%. The balance on the line of credit was $60,496 as of June 30, 2025. The Organization's investment accounts serve as collateral for the line of credit. The line is reviewed annually and is due on demand.

NOTE XIV – PRIOR PERIOD RESTATEMENT

For the fiscal year ended June 30, 2025, a prior period adjustment was made to beginning net position. The restatement was necessary to show the adoption of GASB Statement No. 101, *Compensated Absences,* to recognize prepaid expenses that were previously expensed, and to write off a management services receivable determined to be uncollectible due to disallowed funding. The impact of the adjustment is as follows:

	Statement of Activities – Government Wide
Net position, as previously stated	$ 154,490
Compensated absences prior year	(114,529)
Prepaid expense beginning balance	9,960
Disallowed management service receivable	(581)
Net position, as restated	$ 49,340

	Statement of Revenues, Expenditures, and Changes in Fund Balance – Fund Financial
Fund balances, as previously stated	$ 171,791
Prepaid expense beginning balance	9,960
Disallowed management service receivable	(581)
Fund balances, as restated	$ 181,170

NOTE XV – RISK MANAGEMENT

Belomar is exposed to various risks of loss related to torts, theft, or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Belomar participates with Brickstreet Insurance for workers' compensation coverage and with the West Virginia Bureau of Employment Programs for unemployment coverage. Belomar continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years and there has been no significant reduction in insurance coverage from coverage in prior years.

NOTE XVI – SUBSEQUENT EVENTS

Belomar's management has evaluated the effect that subsequent events would have on Belomar's financial statements through November 28, 2025, which is the date the financial statements were available to be released.

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Supplementary Information

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
SCHEDULE OF INDIRECT RATE CALCULATION
For the Fiscal Year Ended June 30, 2025

Indirect:		
Direct Labor		$ 407,887
Indirect:		
Administration	$ 139,721	
Indirect fringes	119,154	
Other indirect	274,489	
Less: agency other (dues)	(10,614)	
Total indirect		$ 522,750
Total direct labor		$ 407,887
Indirect rate		1.2816

Fringe benefits:	Aging	Transportation	Management Services	Totals
Direct salaries	$ 99,884	$ 119,145	$ 188,858	$ 407,887
Direct fringes	$ 56,394	$ 83,349	$ 140,387	$ 280,130
Fringe rate	0.5646	0.6996	0.7433	0.6868

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the Fiscal Year Ended June 30, 2025

	Grant Number	Award Amount	Under (Over) Expended Beginning of Year	Total Current Year Revenues	Total Current Year Expenditures	Under (Over) Expended End of Year
West Virginia Department of Transportation						
WV State Road User Tax	SFY25 MPO CPG	$ 49,217	$ -	$ 49,217	$ 49,217	$ -
Total West Virginia Department of Transportation		49,217	-	49,217	49,217	-
Ohio Department of Transportation						
Ohio Highway Gas Tax	SFY25 MPO CPG	29,186	-	29,186	29,186	-
Total Ohio Department of Transportation		29,186	-	29,186	29,186	-
West Virginia Bureau of Senior Services						
Northwestern Area Agency on Aging - LIFE	22535	24,916	-	24,916	24,916	-
Northwestern Area Agency on Aging - In Home	22535	64,048	-	64,048	64,048	-
Northwestern Area Agency on Aging - Program Elderly	22535	20,008	-	20,008	20,008	-
Aging Title III B State	22535	454,573	-	454,573	454,573	-
Aging Title III C State	22535	2,059,720	-	2,059,720	2,059,720	-
Aging Title III C State	22535	732	-	732	732	-
Governor's Justice Grant	22435	88,652	-	88,652	88,652	-
Congressional Spending Grant	22435A	743,174	-	743,174	743,174	-
Legislative Initiative for the Elderly	22502	3,130,000	-	3,130,000	3,130,000	-
Total West Virginia Bureau of Senior Services		6,585,823	-	6,585,823	6,585,823	-
West Virginia Economic Development Authority						
Match		45,448	-	45,448	45,448	-
Total West Virginia Economic Development Authority		45,448	-	45,448	45,448	-
Other						
Legislative Assistance to Regional Councils		36,000	-	36,000	36,000	-
Total Other		36,000	-	36,000	36,000	-
Total State Awards		$ 6,745,674	$ -	$ 6,745,674	$ 6,745,674	$ -

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
BUDGETARY COMPARISON SCHEDULE AND NOTES
For the Year Ended June 30, 2025

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
EXPENSES			
Salaries and wages	$ 536,635	$ 547,608	$ 10,973
Fringe benefits	366,561	399,284	32,723
Travel	12,416	19,574	7,158
Printing and supplies	24,525	42,497	17,972
Communications	19,850	6,234	(13,616)
Other expenses	478,800	504,779	25,979
Utilities	27,600	29,590	1,990
Interest	-	4,795	4,795
Aging expenses	8,953,004	9,201,747	248,743
Other program expenses	394,547	826,196	431,649
Depreciation and amortization	45,330	52,117	6,787
Total expenses	10,859,268	11,634,421	775,153
PROGRAM REVENUES			
Operating grants and contributions	10,814,058	11,639,042	824,984
Per capita dues	61,964	61,964	-
Net program revenue (expense)	16,754	66,585	49,831
GENERAL REVENUES			
Unrestricted investment gain	-	10,301	10,301
Interest	-	1,969	1,969
Total general revenues	-	12,270	12,270
Change in net position	$ 16,754	$ 78,855	$ 62,101

1. Budgetary Basis of Accounting

The Council adopts an annual budget for the General Fund. This budget is prepared on a basis consistent with generally accepted accounting principles (GAAP), which is the same basis used for financial reporting. This allows for a direct comparison of actual results to the budgeted amounts.

2. Explanation of Significant Variances

Operating Grants, Aging, and Other Program Expenses: The favorable variance in Operating Grants and Contributions of $824,984 is primarily due to an increase in pass-through grant funding for the Aging Services program and funding for the unanticipated Mt. Zion project. These increases in revenue were offset by corresponding increases in pass-through Aging Expenses ($248,743 variance) and Other Program Expenses ($431,649 variance).

General Operating Expenses: Unfavorable variances in several expense categories, such as Salaries and Wages, Fringe Benefits, and Printing and Supplies, were the result of activities funded by additional grants and agency revenues that were unknown at the time the original budget was adopted.

General Revenues: No general revenues were included in the budget. The actual amount of $12,270 reflects an unrealized gain on investments that occurred during the fiscal year.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed through to Subrecipients	Total Federal Expenditures
Appalachian Regional Commission				
Appalachian Local Development District Assistance	23.009	N/A	$ -	$ 137,783
Total Appalachian Regional Commission			-	137,783
Department of Commerce				
Economic Development Support for Local Planning Organizations	11.302	N/A	-	83,888
Total Department of Commerce			-	83,888
Department of Transportation				
Highway Planning and Construction Cluster:				
West Virginia Department of Transportation				
Highway Planning and Construction	20.205	000000201659	-	396,312
Ohio Department of Transportation				
Highway Planning and Construction	20.205	0000092824	-	198,369
Total Highway Planning and Construction Cluster			-	594,681
Total Department of Transportation			-	594,681
Department of Health and Human Services				
West Virginia Bureau of Senior Services				
Aging Cluster:				
Special Programs for the Aging - Title III, Part B	93.044	000000201659	596,034	695,333
Special Programs for the Aging - Title III, Part C	93.045	000000201659	1,722,005	1,826,299
Nutrition Services Incentive Program	93.053	000000201659	198,117	198,117
Total Aging Cluster			2,516,156	2,719,749
Special Programs for the Aging - Title III, Part D	93.043	000000201659	32,075	32,075
National Family Caregiver Support - Title III, Part E	93.052	000000201659	250,995	273,178
Total Department of Health and Human Services			2,799,226	3,025,002
Federal Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	25,420
Total Federal Emergency Management Agency			-	25,420
Environmental Protection Agency				
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	-	424,628
Total Environmental Protection Agency			-	424,628
Total Expenditures of Federal Awards			**$ 2,799,226**	**$ 4,291,402**

See accompanying notes and independent auditor's report.

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Belomar Regional Council and Interstate Planning Commission (Belomar) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Belomar, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Belomar.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Belomar has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Reconciliation of Federal Revenue to Expenditures of Federal Awards

$ 4,261,112	Federal Revenue recorded
362,018	June 2024 PY Pass-through Expenditures
(331,728)	June 2025 CY Pass-through Expenditures
$ 4,291,402	Total SEFA amount

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Belomar Regional Council and Interstate Planning Commission
Wheeling, West Virginia 26003

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 and major fund of the Belomar Regional Council and Interstate Planning Commission (Belomar) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Belomar's basic financial statements and have issued our report thereon dated November 28, 2025.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Belomar'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 financial statements. 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 result of that testing, and not to provide an opinion on the effectiveness of Belomar's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Belomar's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ferrari & Associates, PLLC

Morgantown, West Virginia
November 28, 2025

Ferrari & Associates, PLLC
616 Schubert Place | Morgantown, WV 26505

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
Belomar Regional Council and Interstate Planning Commission
Wheeling, West Virginia 26003

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Belomar Regional Council and Interstate Planning Commission's (Belomar) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Belomar's major federal programs for the year ended June 30, 2025. Belomar's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Belomar 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, 2025.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Belomar and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Belomar's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Belomar's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Belomar's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Belomar's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Belomar's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Belomar's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Belomar's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Ferrari & Associates, PLLC

Morgantown, West Virginia
November 28, 2025

BELOMAR REGIONAL COUNCIL AND INTERSTATE PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified Opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that is not considered to be a material weakness?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that is not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

Federal Assistance Listing Number (AL)	Name of Federal Program or Cluster
93.044, 93.045, 93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None

Section IV – Status of Prior Year Audit Findings

There were no audit findings in the prior year.