Belomar Regional Council and Interstate Planning Commission

Financial Statements (unaudited)
06/30/26

Bel-O-Mar
Regional Council

Belomar Regional Council and Interstate Planning Commission
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06/30/26

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This section of the Belomar Regional Council and Interstate Planning Commission's (the "Council") annual financial report presents management's discussion and analysis of the Council's financial performance for the fiscal year ended June 30, 2026. The purpose of this discussion is to provide an objective and easily readable analysis of the Council's financial activities based on currently known facts, decisions, and conditions. This information should be read in conjunction with the Council's basic financial statements and accompanying notes.

The Management's Discussion and Analysis (MD&A) is presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 103, Financial Reporting Model Improvements. The discussion is organized into five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses of Financial Position and Results of Operations, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

1. Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements provide a broad overview of the Council's financial position and activities. These statements, which consist of the Statement of Net Position and the Statement of Activities, are prepared using the economic resources measurement focus and the accrual basis of accounting.

- The Statement of Net Position presents the Council's assets and liabilities, with the difference reported as net position. Changes in net position over time may provide an indication of whether the Council's overall financial position is improving or declining.

- The Statement of Activities presents information showing how the Council's net position changed during the fiscal year. Revenues and expenses are recognized when the underlying transactions or events occur, regardless of the timing of the related cash flows.

The governmental activities of the Council include transportation planning, management services, aging services, and agency activities. The Council does not report 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 purposes. The Council uses fund accounting to demonstrate compliance with finance-related legal and contractual requirements.

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and the balances of spendable resources available at the end of the fiscal year. Because governmental fund financial statements use a different measurement focus from the government-wide financial statements, reconciliations are provided to explain the differences between the governmental fund balances and activities and the amounts reported in 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

	2026	2025	$ Change	% Change
Current and other assets	2,890,887	3,513,510	(622,623)	-17.72%
Capital assets, net	148,719	135,205	13,514	10.00%
Total Assets	3,039,606	3,648,715	(609,109)	-16.69%
Current and other liabilities	2,764,868	3,312,503	(547,635)	-16.53%
Noncurrent liabilities	219,841	208,017	11,824	5.68%
Total Liabilities	2,984,709	3,520,520	(535,811)	-15.22%
Net Position				
Net investment in capital assets	23,645	16,046	7,599	47.36%
Unrestricted net position	31,252	112,149	(80,897)	-72.13%
Total Net Position	54,897	128,195	(73,298)	-57.18%

Condensed Changes in Net Position

	2026	2025	$ Change	% Change
Program revenues				
Operating grants and contributions	11,554,522	11,639,042	(84,520)	-0.73%
Per capita dues	61,964	61,964	-	0.00%
Total program revenues	11,616,486	11,701,006	(84,520)	-0.72%
Expenses				
Transportation Planning	702,107	570,404	131,703	23.09%
Management Services	2,108,797	1,093,205	1,015,592	92.90%
Aging Services	8,359,539	9,437,448	(1,077,909)	-11.42%
Agency	532,206	533,364	(1,158)	-0.22%
Total Expenses	11,702,649	11,634,421	68,228	0.59%
Net program revenue (expense)	(86,163)	66,585	(152,748)	-229.40%
Unrestricted investment gain	11,771	10,301	1,470	14.27%
Interest	1,094	1,969	(875)	-44.44%
Total general revenues	12,865	12,270	595	4.85%
Total revenues	11,629,351	11,713,276	(83,925)	-0.72%
Change in net position	(73,298)	78,855	(152,153)	-192.95%
Net position - beginning	128,195	49,340		
Net position - ending	54,897	128,195		

3. Detailed Analyses of Financial Position and Results of Operations

The Council's overall financial position decreased during the fiscal year ended June 30, 2026. Its total net position decreased by $73,298, resulting in an ending net position of $54,897. This analysis explains the reasons for significant changes in the Council's financial position and operations.

Analysis of Operations

The Council's financial results changed from a $78,855 increase in net position in fiscal year 2025 to a $73,298 decrease in net position in fiscal year 2026. Total program revenues were $11,616,486, a decrease of $84,520, or 0.7%, from the prior year. Total expenses were $11,702,649, an increase of $68,228, or 0.6%. As a result, the Council reported a net program expense of $86,163 for fiscal year 2026, compared with net program revenue of $66,585 in fiscal year 2025. General revenues totaled $12,865, resulting in an overall decrease in net position of $73,298.

Although total program revenues and expenses changed only modestly, the level of activity within the Council's individual programs changed significantly. Management Services program revenues increased from $1,090,886 in fiscal year 2025 to $2,043,566 in fiscal year 2026, while expenses increased from $1,093,205 to $2,108,797. Fiscal year 2026 Management Services activity included significant expenditures associated with the Mt. Zion Cemetery project and the Brownfields Coalition program, along with other community development and infrastructure projects administered by the Council.

Transportation Planning program revenues increased from $517,781 in fiscal year 2025 to $619,108 in fiscal year 2026, while expenses increased from $570,404 to $702,107. Fiscal year 2026 activity included the Council's continuing metropolitan planning activities as well as the Safe Streets and Roads for All program, the Human Transit Plan, and transportation planning activities associated with local transit agencies.

Aging Services program revenues and expenses decreased from $9,437,448 in fiscal year 2025 to $8,359,539 in fiscal year 2026. Aging Services continued to represent the Council's largest area of program activity and included substantial pass-through activity under Title III programs, the Legislative Initiative for the Elderly (LIFE), and other aging programs administered

Agency program revenues decreased from $654,891 in fiscal year 2025 to $594,273 in fiscal year 2026, while expenses decreased slightly from $533,364 to $532,206. The resulting changes among the Council's individual programs contributed to the shift from net program revenue in fiscal year 2025 to a net program expense in fiscal year 2026.

Analysis of Financial Position

The Council's total net position decreased by $73,298 during fiscal year 2026, from $128,195 at June 30, 2025 to $54,897 at June 30, 2026. At year-end, net position consisted of $23,645 of net investment in capital assets and $31,252 of unrestricted net position.

Total assets decreased from $3,648,715 at June 30, 2025 to $3,039,606 at June 30, 2026. Current assets decreased principally within the Council's cash and other current asset balances, while net capital assets increased from $135,205 to $148,719. At June 30, 2026, the Council reported cash and cash equivalents of $1,159,998, investments of $218,854, prepaid expenses of $33,193, and receivables of approximately $1.48 million.

Total liabilities decreased from $3,520,520 at June 30, 2025 to $2,984,709 at June 30, 2026. The Council's unearned revenue decreased to approximately $1.16 million, while accounts payable and accrued liabilities were approximately $1.51 million at year-end. The Council also reported compensated absence obligations and liabilities associated with its leases and subscription-based information technology arrangement.

3. Detailed Analyses of Financial Position and Results of Operations (Continued)

While the Council's overall liabilities decreased during the year, unrestricted net position declined from $112,149 to $31,252. Accordingly, the reduction in total net position primarily reflects the fiscal year 2026 operating deficit rather than an increase in the Council's overall liabilities.

Analysis of the General Fund

The General Fund is the Council's primary governmental fund and is used to account for all of the Council's financial resources. At June 30, 2026, the General Fund reported an unassigned fund balance of $197,672, compared with a beginning fund balance of $248,960, resulting in a decrease of $51,288 during the fiscal year. The entire year-end General Fund balance was reported as unassigned.

General Fund revenues totaled $11,629,351 during fiscal year 2026, while expenditures totaled $11,680,639. Revenues consisted primarily of federal, state, and local funding and per capita dues. Expenditures included the Council's Agency, Transportation Planning, Management Services, and Aging Services programs, as well as lease-financing principal and

The $51,288 decrease in General Fund fund balance differs from the $73,298 decrease in government-wide net position because the governmental fund and government-wide financial statements use different measurement focuses and bases of accounting. The reconciliation between the two includes adjustments for capital outlays, depreciation and amortization, lease-related principal payments, and compensated absences.

4. Significant Capital Asset and Long-Term Financing Activity

Capital Assets

At June 30, 2026, the Council reported net capital assets of $148,719, compared with $135,205 at June 30, 2025, an increase of $13,514. The Council's capital assets include owned equipment and leasehold improvements, intangible right-to-use assets associated with lease agreements, and a subscription asset associated with a Subscription-Based Information Technology Arrangement (SBITA).

During fiscal year 2026, the Council recorded $6,700 of additions to owned equipment. At year-end, owned capital assets, net of accumulated depreciation, totaled $22,983. Intangible right-to-use lease assets, net of accumulated amortization, totaled $67,495.

During the year, the Council also entered into a three-year subscription arrangement for Esri software beginning August 1, 2025. The Council recognized a subscription asset of $83,867 at commencement of the arrangement. Accumulated amortization of the subscription asset was $25,626 at June 30, 2026, resulting in a net subscription asset of $58,241.

Additional information regarding the Council's capital assets, leases, and subscription arrangement is presented in the notes to the financial statements.

Long-Term Financing

At June 30, 2026, the Council's noncurrent liabilities totaled $219,841, compared with $208,017 at June 30, 2025. Fiscal year 2026 long-term obligations include compensated absences and obligations associated with the Council's lease and subscription arrangements.

During fiscal year 2026, the Council entered into the Esri subscription arrangement described above. At June 30, 2026, the outstanding subscription liability was $53,867. The Council also continued to make payments on its existing office space, vehicle, and postage machine lease arrangements.

5. Currently Known Facts, Decisions, or Conditions

The Council's operations are substantially supported by federal, state, and local funding sources. Management and the Board of Directors consider known changes in grant funding, program requirements, and other economic and operating conditions in the Council's financial planning and administration of its programs.

At the time these financial statements were prepared, management had not identified additional currently known facts, decisions, or conditions expected to have a significant effect on the Council's financial position or to produce significant differences from fiscal year 2026 results.

Belomar Regional Council and Interstate Planning Commission
Statement of Net Position
06/30/26

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 1,159,998
Prepaid expenses	33,193
Investments	218,854
Receivables -	
Grants and contracts	1,467,990
Other	10,852
Total current assets:	2,890,887
Capital assets:	
Equipment	31,771
Leasehold improvements	21,150
Subscription-Based Information Technology Arrangements	83,867
Leased office space (intangible asset)	235,803
Leased equipment (intangible asset)	4,076
Leased vehicle (intangible asset)	35,329
Less accumulated depreciation and amortization	(263,277)
Total capital assets:	148,719
Total assets	$ **3,039,606**
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	$ 1,506,856
Unearned revenue	1,162,702
Compensated absences, current	23,658
Lease payable, current	45,692
Subscription liability, current	25,960
Total current liabilities	2,764,868
Non-current liabilities:	
Compensated absences, non-current	166,419
Lease payable, non-current	25,515
Subscription liability, non-current	27,907
Total non-current liabilities	219,841
Total liabilities	**2,984,709**
Net Position	
Net investment in capital assets	23,645
Unrestricted	31,252
Total net position	**54,897**
Total liabilities and net position	$ **3,039,606**

Belomar Regional Council and Interstate Planning Commission
Statement of Activities
For the Year Ended 06/30/26

	Governmental Activities
Expenses	
Transportation Planning	$ 702,107
Management Services	2,108,797
Aging Services	8,359,539
Agency	532,206
Total Expenses	11,702,649
Program Revenues	
Transportation Planning	619,108
Management Services	2,043,566
Aging Services	8,359,539
Agency	532,309
Per capita dues	61,964
Total Program Revenues	11,616,486
Net Program Revenue (Expense)	
Transportation Planning	(82,999)
Management Services	(65,231)
Aging Services	-
Agency	62,067
Net Program Revenue (Expense)	$ (86,163)
General Revenues	
Unrestricted investment gain	11,771
Interest	1,094
Total General Revenues	12,865
Change in Net Position	(73,298)
Net Position - beginning	128,195
Net Position - ending	$ 54,897

Belomar Regional Council and Interstate Planning Commission
Balance Sheet - Governmental Fund
06/30/26

	General Fund
Assets	
Cash and cash equivalents	$ 1,159,998
Prepaid expenses	33,193
Investments	218,854
Receivables -	
Grants and contracts	1,467,990
Other	10,852
Total assets	$ 2,890,887
Liabilities	
Accounts payable and accrued liabilities	$ 1,506,856
Unearned revenue	1,162,701
Compensated absences	23,658
Total liabilities	2,693,215
Fund Balance	
Unassigned	197,672
Total fund balance	197,672
Total liabilities and fund balance	$ 2,890,887

Belomar Regional Council and Interstate Planning Commission
Reconciliation of Fund Balance of Governmental Fund to Net Position of Governmental Activities
06/30/26

Fund balance - governmental fund	$	197,672
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position:		148,719
Lease liabilities have been reflected in the governmental fund only for the portion of estimated future payments that will use current expendable resources:		(71,208)
Subscription liabilities have been reflected in the governmental fund only for the portion of estimated future payments that will use current expendable resources:		(53,867)
Compensated absences have been reflected in the governmental fund only for the portion of estimated future payments that will use current expendable resources:		(166,419)
Net position of governmental activities	$	54,897

Belomar Regional Council and Interstate Planning Commission
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended 06/30/26

	General Fund
Revenues	
Federal	$ 4,033,607
State	7,108,829
Local	412,086
Per capita dues	61,964
Investment gain	11,771
Interest	1,094
Total revenues	11,629,351
Expenditures	
Current programs	
Agency	516,351
Transportation planning	674,869
Management services	2,093,600
Aging services	8,343,592
Debt service	
Lease financing - principal	47,952
Lease financing - interest	4,275
Total expenditures	11,680,639
Excess (deficiency) of revenues over expenditures	(51,288)
Net change in fund balance	(51,288)
Fund balance, beginning	248,960
Fund balance, ending	$ 197,672

Belomar Regional Council and Interstate Planning Commission
Reconciliation of Net Changes in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
For the Year Ended 06/30/26

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balance - government fund	$ (51,288)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense:	36,700
Depreciation expense on capital assets is reported in the statement of activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental	(77,054)
Governmental funds report lease proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of lease principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in lease liabilities:	47,952
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 governmental funds:	(29,608)
Change in net position of governmental activities	$ (73,298)

1 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 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 of 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 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 and money market deposits with trust departments.

- **Capital Assets**: Purchased capital assets are reported at cost. Capital assets are depreciated or amortized using the straight-line method over their estimated useful lives or applicable lease or subscription terms, as appropriate. Belomar's policy is to capitalize any purchase of $5,000 or more as a capital asset.

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

- **Compensated Absences**: The Council's policy permits employees to accumulate earned but unused vacation and sick leave benefits. A liability for compensated absences is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid or settled. In estimating the amount of leave that is more likely than not to be used or otherwise paid or settled, the Council considers its leave policies, historical experience, and other relevant information. The liability is measured using employees' rates of pay as of the financial statement date. The liability also includes the Council's share of payroll taxes and required pension plan contributions that are directly and incrementally associated with payments for compensated absences.

- **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, the Council considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Council considers amounts to have been spent first out of committed funds, then assigned funds, and

- **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 its use by creditors, grantors, laws, or regulations of other governments. Net position is reported as net investment in capital assets for the portion of net position related to the historical cost of capital assets, less accumulated depreciation and amortization and outstanding liabilities attributable to the acquisition, construction, or improvement of those assets. All other net position is reported as unrestricted.

- **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 costs at the end of each fiscal year.

- **Estimates**: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

- **New Accounting Pronouncements**: During the fiscal year ended June 30, 2026, the Council continued to apply Governmental Accounting Standards Board (GASB) Statements previously adopted, including 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. Statements No. 103 and No. 104 were early implemented by the Council during the fiscal year ended June 30, 2025.

  GASB has issued Statement No. 105, Subsequent Events, which establishes updated guidance for the recognition and disclosure of subsequent events and clarifies the period through which subsequent events should be evaluated. Statement No. 105 is effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter, with earlier application encouraged. Accordingly, the Statement is not required to be implemented for the Council's fiscal year ended June 30, 2026.

2 Budgetary Basis of Accounting

Although the Council is not legally required to adopt a budget, the Council'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 to provide a comparison of actual results to the budget adopted by the Council's Board of

3 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 the Council's Board of Directors. For the fiscal year ended June 30, 2026, the plan covered 25 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, 2026, employer contributions were $71,805 and

- **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.

4 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 recognized under lease and subscription arrangements. A summary of changes in capital assets for the fiscal year ended June 30, 2026, is as follows:

Capital Assets, Owned

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets being depreciated/amortized				
Leasehold improvements	$ 21,150			$ 21,150
Equipment	25,071	6,700		31,771
	46,221	6,700	-	52,921
Less: Accumulated depreciation for:				
Leasehold improvements	21,150			21,150
Equipment	3,104	5,684		8,788
Total depreciation and amortization	24,254	5,684	-	29,938
Total capital assets, net	$ 21,967	1,016	-	$ 22,983

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)	35,329			35,329
	275,208	-	-	275,208
Less: Accumulated amortization for:				
Leased office space (intangible asset)	159,417	39,854		199,271
Leased equipment (intangible asset)	1,359	1,359		2,718
Leased vehicle (intangible asset)	1,194	4,530		5,724
Total amortization	161,970	45,743	-	207,713
Total intangible assets, leased, net	$ 113,238	(45,743)	-	$ 67,495

4 Capital Assets

Subscription-Based Information Technology Arrangements

	Beginning Balance	Additions	Deductions	Ending Balance
Subscription asset being amortized				
Subscription asset	$ -	83,867		83,867
	-	83,867	-	83,867
Less: Accumulated amortization for:				
Accumulated amortization	-	25,626		25,626
Total amortization	-	25,626	-	25,626
Total subscription asset, net	$ -	58,241	-	$ 58,241

Depreciation and amortization expense for the fiscal year ended June 30, 2026 totaled $77,053 and was charged to governmental functions as follows: Transportation Planning, $25,626; Aging Services, $12,857; and Agency, $38,570.

5 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 Council's deposits may not be returned to it. At June 30, 2026, the carrying amount of the Council's deposits was $1,159,998. Of this balance, $250,000 was covered by Federal Deposit Insurance Corporation (FDIC) insurance. The remaining balance of $909,998 was uninsured and uncollateralized, exposing the Council to custodial credit risk.

- **Investment Risk Policies**: The Council has a formal policy to manage its exposure to investment risks.

  Credit Risk: It is the Council'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 the Council may invest in any one issuer to avoid losses from overconcentration in a specific issuer. As of June 30, 2026, the Council 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, the Council'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

Investments held by Belomar as of June 30, 2026, are summarized below:

Type of Investment	Level (Note 6)	Governmental
Mutual funds	1	218,854

5 Deposits and Investments (Continued)

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

Name of Investment	Fair Value	Maturity Range	Credit Quality
WesMark Government Bond Fund	218,854	20 - 30 Years	AAA

6 Fair Value Measurement

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.

7 Lease Payable Commitments

The Council has entered into several noncancelable agreements to lease office space, a vehicle, and equipment. The Council recognizes a right-to-use lease asset and a lease liability at the commencement of the lease term. The lease liabilities were measured at the present value of payments expected to be made during the lease terms, discounted using the Council's incremental borrowing rate of 3.5%.

Lease agreements are as follows:

- **Leased office space**: The Council leases its office space under an agreement that commenced on June 1, 2022, and ends on May 31, 2027.

- **Leased vehicle**: The Council leases a vehicle under a three-year agreement that commenced on April 18, 2025, and ends on April 17, 2028. The agreement includes an option to purchase the asset at the end of the lease term.

- **Leased postage machine**: The Council leases a postage machine under a three-year agreement that commenced on July 1, 2024, and ends on June 30, 2027.

The following is a consolidated schedule of future minimum lease payments as of June 30, 2026:

	Principal	Interest	Total Payment
2027	45,692	1,785	47,477
2028	25,515	930	26,445
	$ 71,207	2,715	73,922

8 Subscription-Based Information Technology Arrangements (SBITAs)

Belomar recognizes subscription-based information technology arrangements (SBITAs) in accordance with GASB Statement No. 96, Subscription-Based Information Technology Arrangements. During the fiscal year ended June 30, 2026, Belomar entered into a three-year subscription arrangement for Esri software covering the period August 1, 2025 through July 31, 2028. The agreement requires annual payments of $30,000, for total payments of $90,000 over the

At commencement of the arrangement, Belomar recognized a subscription liability and corresponding right-to-use subscription asset of $83,867, based on the present value of the subscription payments using a discount rate of 7.50%.

The subscription asset is amortized over the three-year subscription term. Because the arrangement commenced on August 1, 2025, the fiscal year ended June 30, 2026 includes a partial year of amortization. At June 30, 2026, accumulated amortization totaled $25,626, resulting in a net subscription asset of $58,241. The outstanding subscription liability at June 30, 2026 was $53,867.

Future payments under the subscription arrangement are as follows:

	Principal	Interest	Total Payment
2027	$ 25,960	$ 4,040	$ 30,000
2028	27,907	2,093	30,000
	$ 53,867	6,133	60,000

9 Compensated Absences

The Council recognizes a liability for accumulated compensated absences in accordance with the compensated absence policy described in Note 1. At June 30, 2026, the total compensated absences liability was $190,077. The following summarizes the estimated current and long-term portions of the liability:

	Principal
Due within one year	$ 23,658
Due after one year	166,419
Total compensated absences	$ 190,077

10 Long-Term Liabilities

Changes in the Council's long-term liabilities for the fiscal year ended June 30, 2026 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Lease payable	$ 119,159	$ -	$ 47,952	$ 71,207	45,692
Subscription liability	-	83,867	30,000	53,867	25,960
Compensated absences	159,890	96,710	66,523	190,077	23,658
Total long-term liabilities	$ 279,049	$ 180,577	$ 144,475	$ 315,151	95,310

11 Local Match - Grants

$156,195 of local funds were transferred to various grant programs during the year for matching of federal grant monies, as required by grant agreements.

12 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.

13 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.

14 Risk Management

Belomar is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disaster. 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.

Belomar Regional Council and Interstate Planning Commission
Schedule of Indirect Rate Calculation
For the Year Ended 06/30/26

Indirect:

Direct Labor			$ 503,678	
Indirect Calculation:				
Administration	$ 133,238			
Indirect Fringes	136,595			
Other Indirect	262,401			
Less: Agency Other(Dues)	(13,365)			
Total Indirect			$ 518,869	= 1.0302
Total Direct Labor			$ 503,678	

Fringe Benefits:	Aging	Transportation	Management Services	Totals
Direct Salaries	$ 81,456	$ 169,631	$ 252,591	$ 503,678
Direct Fringes	$ 57,834	$ 130,431	$ 184,463	$ 372,728
Fringe Rate	0.7100	0.7689	0.7303	0.7400

Belomar Regional Council and Interstate Planning Commission
Schedule of Expenditures of State Awards
For the Year Ended 06/30/26

	Identification Number	State Expenditures
Direct Programs:		
Legislative Assistance to Regional Councils		$ 36,000
WV State Road User Tax	SFY26 MPO CPG	40,945
Ohio Highway Gas Tax	SFY26 MPO CPG	24,492
Northwestern Area Agency on Aging - In-Home	22535	56,310
Northwestern Area Agency on Aging - LIFE	22535	21,433
Northwestern Area Agency on Aging - Program Elderly	22535	25,004
Aging Title III B State	22535	463,563
Aging Title III C State	22535	2,258,158
Aging Title III D State	22535	605
Congressional Spending Grant	22435A	66,826
Legislative Initiative For the Elderly	22502	3,113,980
West Virginia Governor Office		994,297
Coordinated Plan Project	TSTP-2568-GRF-261	7,216
Total Expenditures of State Awards		$ 7,108,829

Belomar Regional Council and Interstate Planning Commission
Budgetary Comparison Schedule
For the Year Ended 06/30/26

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenses			
Salaries and wages	$ 618,125	$ 636,915	$ 18,790
Fringe benefits	521,377	509,323	(12,054)
Travel	30,736	30,742	6
Printing and supplies	48,756	33,858	(14,898)
Communications	12,499	12,982	483
Other expenses	163,041	162,240	(801)
Equipment	23,443	9,300	(14,143)
Utilities	32,204	32,666	462
Interest	2,919	4,275	1,356
Program expenses	9,994,372	10,193,295	198,923
Depreciation and amortization	83,876	77,053	(6,823)
Total Expenses	11,531,348	11,702,649	171,301
Program Revenues			
Operating grants and contributions	11,468,068	11,554,522	86,454
Per capita dues	61,964	61,964	-
Net Program Revenue (Expense)	$ (1,316)	$ (86,163)	$ (84,847)
General Revenues			
Unrestricted investment gain	7,431	11,771	4,340
Interest	1,050	1,094	44
Total General Revenues	8,481	12,865	4,384
Change in Net Position	7,165	(73,298)	(80,463)

1. Budgetary Basis of Accounting

The Council adopts an annual budget for the General Fund. The 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 budgeted amounts.

2. Explanation of Significant Variances

Program Revenues and Expenses: Program expenses exceeded budgeted amounts by approximately $198,923. This unfavorable variance was partially offset by operating grants and contributions exceeding budgeted amounts by approximately $86,454.

General Operating Expenses: Salaries and wages exceeded budgeted amounts by approximately $18,790. These additional costs were partially offset by expenditures below budget for printing and supplies of approximately $14,898, equipment of approximately $14,143, and depreciation and amortization of approximately $6,823.

General Revenues: General revenues exceeded budgeted amounts by approximately $4,384, primarily because unrestricted investment gains exceeded budgeted amounts by approximately $4,340.

Change in Net Position: The Council budgeted an increase in net position of approximately $7,165 and reported an actual decrease of approximately $73,298, resulting in an unfavorable variance of approximately $80,463. The variance was primarily attributable to expenses exceeding budgeted amounts, partially offset by operating grants and contributions and general revenues exceeding budgeted amounts.

Belomar Regional Council and Interstate Planning Commission
Schedule of Expenditures of Federal Awards
For the Year Ended 06/30/26

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Appalachian Regional Commission				
Appalachian Local Development District Assistance	23.009		$ -	$ 51,546
Total Appalachian Regional Commission			$ -	$ 51,546
Department of Commerce				
Economic Development - Support for Local Planning Organizations	11.302		$ -	$ 103,869
Total Department of Commerce			$ -	$ 103,869
Department of Transportation				
Highway Planning and Construction Cluster:				
West Virginia Department of Transportation				
Highway Planning and Construction	20.205	000000201659	$ -	$ 339,219
Ohio Department of Transportation				
Highway Planning and Construction	20.205	0000092824	-	221,820
Total Highway Planning and Construction Cluster			$ -	$ 561,039
Safe Streets and Roads for All	20.939		-	113,311
Total Department of Transportation			$ -	$ 674,350
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	$ 550,571	$ 614,177
Special Programs for the Aging - Title III, Part C	93.045	000000201659	1,190,570	1,291,404
Nutrition Services Incentive Program	93.053	000000201659	227,715	227,715
Total Aging Cluster			$ 1,968,856	$ 2,133,296
Special Programs for the Aging - Title III, Part D	93.043	000000201659	37,716	37,716
National Family Caregiver Support - Title III, Part E	93.052	000000201659	267,991	276,945
Total West Virginia Bureau of Senior Services			$ 2,274,563	$ 2,447,957
Total Department of Health and Human Services			$ 2,274,563	$ 2,447,957
Environmental Protection Agency				
Brownfield Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		$ -	$ 679,461
Total Environmental Protection Agency			$ -	$ 679,461
Federal Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		$ -	$ 73,525
Total Federal Emergency Management Agency			$ -	$ 73,525
Total Expenditures of Federal Awards			$ 2,274,563	$ 4,030,708

1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Belomar Regional Council and Interstate Planning Commission under programs of the federal government for the year ended 06/30/26. 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 Regional Council and Interstate Planning Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Belomar Regional Council and Interstate Planning Commission.

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 Regional Council and Interstate Planning Commission has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4 Reconciliation of Federal Revenue to Expenditures of Federal Awards

4,033,607	Federal Revenue recorded
331,725	June 2025 PY Pass-through Expenditures
(334,624)	June 2026 CY Pass-through Expenditures
4,030,708	Total SEFA amount