



OHIO AUDITOR OF STATE
KEITH FABER



**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY
SEPTEMBER 30, 2020**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Eastern Ohio Regional Transit Authority
Belmont County
21 South Huron Street
Wheeling, West Virginia 26003

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Eastern Ohio Regional Transit Authority, Belmont County, Ohio (the Authority), as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis* listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards (the Schedule) presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2021, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2021

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**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2020, 2019 and 2018**

This analysis prepared by the Finance Director, offers readers of the Authority's financial statements a narrative overview of the activities of the Eastern Ohio Regional Transit Authority (the Authority) for the fiscal years ended September 30, 2020 (FY2020), 2019 (FY2019) and 2018 (FY2018). We encourage readers to consider this information in conjunction with the additional information that is furnished within the Authority's financial statements, which follow. This analysis is required by the Governmental Accounting Standards Board (GASB) which provides preparers with guidelines on what must be included and excluded from this analysis.

FINANCIAL HIGHLIGHTS

- The assets of the Eastern Ohio Regional Transit Authority exceeded its liabilities at the close of fiscal year 2020 by \$1,217,458.69, in 2019 by \$1,169,560.66 and in 2018 by \$1,422,667.79. The 2020 amount may be used to meet the Authority's ongoing obligations to users.
- In FY2020, The Authority's total capital assets decreased by \$126,169.00 due to an accident to Bus #41. The bus was deemed a total loss.
- Total operating revenue for the year ended September 20, 2020 is \$54,695.24, a decrease of \$28,254.75 compared to operating revenue of \$82,949.99 for year ended September 30, 2019. Total operating revenue for the year ended September 30, 2019 increased by \$9,748.99 compared to operating revenue of \$73,201.00 for the year ended September 30, 2018. These changes in revenue are the result of the quantity of people choosing to use the bus during the recent fiscal years. COVID-19 played a part in the decrease in operating revenue in 2020. We suspended bus and van fares from March 26, 2020 through May 31, 2020.
- Non-operating revenues increased \$422,064.06 from FY2019; the majority of this increase is due to increased grant funds received from FTA known as the CARES ACT. Non-operating revenues decreased \$277,513.87 from FY2018; the majority of this decrease was due to decreased grant funds received from ODOT and decreased tax levy revenue.
- Total operating expenses, excluding depreciation were \$1,439,332.95 in the fiscal year ended September 30, 2020, an increase of \$105,460.18 over the September 30, 2019 balance of \$1,333,872.77. The change was mainly due to an increase in the operating subsidy from OVRTA, Ohio clerk fees and Ohio levy expense. The FY2019 balance showed an increase of \$69,867.27 over FY2018, mainly due to wages increases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Eastern Ohio Regional Transit Authority's financial statements.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2020, 2019 and 2018
(Continued)**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and depreciation of assets is recognized in the Statement of Revenues, Expenses and Changes in Fund Net Position. All assets and liabilities associated with the operation of the Authority are included in the Statement of Net Position.

A FINANCIAL ANALYSIS OF THE EASTERN OHIO REGIONAL TRANSIT AUTHORITY

The Statement of Net Position presents information on all of Eastern Ohio Regional Transit Authority'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 the financial position of the Authority.

A condensed Statement of Net Position for years ended September 30, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS:</u>			
Cash	\$ 1,567,652.17	\$ 1,619,063.17	\$ 1,443,368.08
Investments	57,000.00	57,000.00	57,000.00
Accounts Receivable	0.00	32,643.00	4,436.47
Accrued Interest Receivable	1.70	0.00	1.20
Net Capital Assets	<u>173,855.02</u>	<u>263,652.46</u>	<u>363,975.26</u>
Total Assets	<u>\$ 1,798,508.89</u>	<u>\$ 1,972,358.63</u>	<u>\$ 1,868,781.01</u>
<u>LIABILITIES:</u>			
Current liabilities	<u>\$ 581,050.20</u>	<u>\$ 802,797.97</u>	<u>\$ 446,113.22</u>
Total Liabilities	<u>581,050.20</u>	<u>802,797.97</u>	<u>446,113.22</u>
<u>NET POSITION:</u>			
Net investment in capital assets	173,855.02	263,652.46	363,975.26
Unrestricted	<u>1,043,603.67</u>	<u>905,908.20</u>	<u>1,058,692.53</u>
Total Net Position	<u>1,217,458.69</u>	<u>1,169,560.66</u>	<u>1,422,667.79</u>
Total Liabilities & Net Position	<u>\$ 1,798,508.89</u>	<u>\$ 1,972,358.63</u>	<u>\$ 1,868,781.01</u>

The condensed statement of net position indicates that current assets decreased by \$84,052.30 during fiscal year 2020, and increased by \$203,900.42 during fiscal year 2019 due to trying to build reserve funds.

Capital assets decreased by \$126,169.00 due to Bus #41's accident. The bus was deemed a total loss.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2020, 2019 and 2018
(Continued)**

A condensed Statement of Revenues, Expenses and Changes in Fund Net Position – Years ended September 30, 2020, 2019 and 2018:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating Revenues:			
Passenger Fares & Bus Passes	\$ 54,695.24	\$ 82,949.99	\$ 73,201.00
Miscellaneous Revenue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Operating Revenue	<u>54,695.24</u>	<u>82,949.99</u>	<u>73,201.00</u>
Operating Expenses:			
Ohio Clerk Fees	20,139.29	12,344.50	12,269.69
Operating Subsidy - OVRTA	1,409,291.85	1,321,528.27	1,251,735.81
Ohio Levy Expense	9,901.81	0.00	0.00
Depreciation	<u>89,797.44</u>	<u>102,453.49</u>	<u>103,329.81</u>
Operating Income (loss)	<u>(1,474,435.15)</u>	<u>(1,353,376.27)</u>	<u>(1,294,134.31)</u>
Non-Operating Revenues (expenses):			
Operating Assistance:			
Federal Assistance	446,501.00	437,911.00	429,156.00
CARES ACT Assistance	329,260.80	0.00	0.00
Local levy revenue	582,880.23	538,732.33	552,364.03
State of Ohio	153,337.30	98,840.88	145,999.20
Intergovernmental	0.00	3,996.31	0.00
Interest and other income	8,228.87	20,788.62	9,500.78
Gain (loss) on disposal of assets	2,125.00	0.00	6,963.00
Capital grant revenue:			
Federal	0.00	0.00	233,800.00
State of Ohio	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Net total non-operating revenue	<u>1,522,333.20</u>	<u>1,100,269.14</u>	<u>1,377,783.01</u>
Increase (decrease) in net position	47,898.05	(253,107.13)	83,648.70
Total net position, beginning of year	<u>1,169,560.66</u>	<u>1,422,667.79</u>	<u>1,339,019.09</u>
Total net position, end of year	<u>\$1,217,458.71</u>	<u>\$1,169,560.06</u>	<u>\$1,422,667.79</u>

Increase (decrease) in net position increased by \$301,005.18 from FY2019 to FY2020. This increase was principally due to the CARES ACT Grant in FY2020. Increase (decrease) in net position reduced by \$336,755.83 from FY2018 to FY2019. This decrease was principally due to no Federal Capital Grant in FY2019.

The overall increase of \$105,460.18 in the operating expenses excluding depreciation between FY2020 and FY2019 is associated with the Operating Subsidy. The overall increase of \$69,867.27 in operating expenses excluding depreciation between FY2019 and FY2018 is associated with operating subsidy.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2020, 2019 and 2018
(Continued)**

ECONOMIC CONDITIONS AND OUTLOOK

The Authority's FY2020 budget had an overall increase in expenses of \$192,599.00. The majority of these increases were in the areas of general liability insurance and fuel usage budgeted.

On April 28, 2020, the Authority's excess 2.5 mil replacement levy was passed by the voters of Belmont and Jefferson Counties for calendar years 2021, 2022 and 2023.

EORTA appears to have done well in FY2020. All of its obligations were met without using any reserve funds.

In March of 2020, EORTA was granted funds from the CARES ACT in the amount of \$2,036,987.00. This grant is a 100% fully funded FTA grant. There is no local match required to use these funds. EORTA intends on using these funds to meet its wages and benefits obligations and to purchase PPE and other COVID-19 related expenses.

Since FY2014 health insurance has been a major concern for both EORTA and OVRTA. We have chosen Aetna once again as our health insurance provider and the premiums did not increase in July as expected.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Eastern Ohio Regional Transit Authority's finances for all those with an interest, as well as to demonstrate the Authority's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Eastern Ohio Regional Transit Authority, Finance Director, 21 South Huron Street, Wheeling, WV 26003.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash	\$ 1,567,652.17	\$ 1,619,063.17
Certificates of deposit	57,000.00	57,000.00
Total cash and cash equivalents	<u>1,624,652.17</u>	<u>1,676,063.17</u>
Accrued interest receivable	1.70	-
Accounts receivable - O.D.O.T. operating	-	32,643.00
Total accounts receivable	<u>1.70</u>	<u>32,643.00</u>
Total current assets	<u>1,624,653.87</u>	<u>1,708,706.17</u>
CAPITAL ASSETS:		
Revenue vehicles	922,822.60	1,048,991.60
Service vehicles	41,028.61	41,028.61
Supervisor vehicle	44,354.00	44,354.00
Bus shelters	89,269.96	89,269.96
Shop equipment	121,570.91	121,570.91
Communications equipment	33,373.60	33,373.60
Fareboxes	14,769.48	14,769.48
Total capital assets	<u>1,267,189.16</u>	<u>1,393,358.16</u>
Less: accumulated depreciation	<u>(1,093,334.14)</u>	<u>(1,129,705.70)</u>
Net capital assets	<u>173,855.02</u>	<u>263,652.46</u>
Total assets	<u>\$ 1,798,508.89</u>	<u>\$ 1,972,358.63</u>

The notes to financial statements are an integral part of this statement.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2020 AND 2019**

	2020	2019
CURRENT LIABILITIES:		
Accounts payable - O.V.R.T.A.	\$ 581,050.18	\$ 802,797.97
Total current liabilities	581,050.18	802,797.97
 NET POSITION:		
Net investment in capital assets	173,855.02	263,652.46
Unrestricted	1,043,603.69	905,908.20
Total net position	1,217,458.71	1,169,560.66
 Total liabilities and net position	\$ 1,798,508.89	\$ 1,972,358.63

The notes to financial statements are an integral part of this statement.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
OPERATING REVENUES:		
Passenger fares	\$ 39,951.04	\$ 64,119.09
Van fares	850.20	1,180.40
Bus passes	13,894.00	17,650.50
Total operating revenue	54,695.24	82,949.99
OPERATING EXPENSES EXCLUDING DEPRECIATION:		
Ohio clerk fees	20,139.29	12,344.50
Ohio levy expense	9,901.81	-
Operating subsidy - O.V.R.T.A.	1,409,291.85	1,321,528.27
Total operating expenses excluding depreciation	1,439,332.95	1,333,872.77
Operating (loss) before depreciation	(1,384,637.71)	(1,250,922.78)
Depreciation and amortization expense	89,797.44	102,453.49
Operating (loss)	(1,474,435.15)	(1,353,376.27)
NONOPERATING REVENUES:		
Grants and subsidies - F.T.A.	446,501.00	437,911.00
Grants and subsidies - CARES Act	329,260.80	-
Grants and subsidies - O.D.O.T.	67,160.00	32,643.00
Grants and subsidies:		
Ohio Elderly Bus Fare Assistance Program	26,243.00	28,657.00
State of Ohio, Rollbacks and Homestead Exemptions	59,934.30	37,540.88
Tax levy - Belmont County	515,442.01	479,225.10
Tax levy - Jefferson County	67,438.22	59,507.23
Intergovernmental	-	3,996.31
Interest and other income	8,228.87	20,788.62
Gain (loss) on disposal of assets	2,125.00	-
Net total nonoperating revenue	1,522,333.20	1,100,269.14
Increase (decrease) in net position	47,898.05	(253,107.13)
Total net position, beginning of year	1,169,560.66	1,422,667.79
Total net position, end of year	\$ 1,217,458.71	\$ 1,169,560.66

The notes to financial statements are an integral part of this statement.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from ridership revenues	\$ 54,695.24	\$ 82,949.99
Cash paid to O.V.R.T.A.	(1,631,039.64)	(964,843.52)
Cash paid to suppliers	(9,901.81)	-
Net cash provided (used) by operating activities	(1,586,246.21)	(881,893.53)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from CARES Act	329,260.80	-
Cash received from federal, state and local operating assistance programs, net of clerk fees	612,342.01	500,197.16
Cash received from tax levies	582,880.23	538,732.33
Net cash provided (used) by noncapital financing activities	1,524,483.04	1,038,929.49
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of capital assets	-	(2,130.69)
Proceeds from the sale of capital assets	2,125.00	-
Net cash provided (used) by capital and related financing activities	2,125.00	(2,130.69)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	8,227.17	20,789.82
Net cash provided (used) by investing activities	8,227.17	20,789.82
Net increase (decrease) in cash and cash equivalents	(51,411.00)	175,695.09
Cash and cash equivalents at beginning of year	1,676,063.17	1,500,368.08
Cash and cash equivalents at end of year	\$ 1,624,652.17	\$ 1,676,063.17

The notes to financial statements are an integral part of this statement.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

	2020	2019
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating (loss)	\$ (1,474,435.15)	\$ (1,353,376.27)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	89,797.44	102,453.49
Ohio clerk fees	20,139.29	12,344.50
Changes in assets and liabilities:		
Increase (decrease) in accounts payable O.V.R.T.A.	(221,747.79)	356,684.75
Total adjustments	(111,811.06)	471,482.74
Net cash provided (used) by operating activities	\$ (1,586,246.21)	\$ (881,893.53)

The notes to financial statements are an integral part of this statement.

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**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(A) Organization

Eastern Ohio Regional Transit Authority (E.O.R.T.A.) was created pursuant to Section 306.32 through 306.35 of the Ohio Revised Code for the purpose of providing public transportation to counties, municipal corporations or townships that created E.O.R.T.A. or join in the creation of E.O.R.T.A. As a political subdivision it is distinct from, and is not, an agency of the State of Ohio or any other local governmental unit. E.O.R.T.A. is not subject to federal or state income taxes.

E.O.R.T.A. is managed by a Board of Trustees composed of one member appointed by each municipality, township or county that is admitted to membership in the Authority.

(B) Reporting Entity

The accompanying financial statements include only the accounts and transactions of the Eastern Ohio Regional Transit Authority. Under the criteria specified in Statement No. 39, the Authority has no component units nor is it considered a component unit of any state or local governments.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is not financially accountable for any other organization nor are any state or local governments accountable for the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the Ohio Revised Code.

(C) Accounting Method

The Eastern Ohio Regional Transit Authority prepares its financial statements using the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America. All transactions are accounted for in a single enterprise fund.

The Authority follows GASB guidance as applicable to proprietary funds and Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

The Eastern Ohio Regional Transit Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units. These statements change E.O.R.T.A.'s presentation of net position and require the inclusion of management's discussion and analysis.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(C) Accounting Method (Continued)

The Eastern Ohio Regional Transit Authority's financial statements are presented in accordance with the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units (an amendment of GASB Statement No. 14)*. This statement amends Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary governmental unit.

The Authority reviews its investment in property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the future net undiscounted cash flow expected to be generated by the property including any estimated proceeds from the eventual disposition of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There were no impairment losses recognized in 2020 and 2019.

(D) Measurement Focus

The enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of E.O.R.T.A. are included on the statements of net position. The statements of revenues, expenses, and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statements of cash flows provide information about how E.O.R.T.A. finances and meets the cash flow needs of its enterprise activity.

(E) Equipment

Revenue and service vehicles and bus shelters have been capitalized at cost, as of the date purchased, in compliance with the F.T.A.'s Uniform System of Accounts and Records and Reporting System. Assets are capitalized when the cost exceeds \$500. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from four to twelve years.

(F) Income Taxes

E.O.R.T.A. is exempt from federal income taxation under Section 501 of the Internal Revenue Code.

(G) Cash Equivalents

E.O.R.T.A. includes in cash equivalents certificates of deposit with maturities of one year or less.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(H) Deposits

The investment and deposit of Authority monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit the Authority to invest its monies in certificates of deposit, savings accounts, money market accounts, the State Treasurer's Asset Reserve investment pool (STAR Ohio), and obligations of the United States government and certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible depository for a period not exceeding thirty days.

As of September 30, 2020 and 2019, all of E.O.R.T.A.'s investments in certificates of deposit were deposited with a single financial institution.

In 2020 and 2019, the Authority's financial institution was a participant in the Ohio Pooled Collateral System and all deposits were fully insured. As of September 30, 2020 and 2019, E.O.R.T.A. had uninsured, uncollateralized deposits of \$-0- and \$-0-, respectively.

(I) Revenues and Expenses

Operating revenues and expenses result from providing public transportation. Operating revenues consist primarily of fares recorded as revenue at the time services are performed and revenues pass through the farebox. Operating expenses include the cost of providing these services including administrative expenses and depreciation on capital assets.

Non-operating revenues and expenses are all revenues and expenses not meeting the definition of operating revenues and expenses. Non-operating revenues and expenses include revenues and expenses from capital and related financing activities and investing activities.

(J) Accounts Receivable

All accounts receivable are due from federal, state and local entities and are deemed to be fully collectible; therefore, no allowance is considered necessary.

(K) Reclassifications

The Authority's policy is to reclassify amounts reported in prior year financial statements, when necessary, for classifications adopted during the current year. There were no reclassifications for the fiscal year ended September 30, 2020.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(L) Net Position Classification

The Authority classifies net position into the following three components:

Net investment in capital assets – consisting of capital assets, net of accumulated depreciation and reduced by the outstanding balance of borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consisting of net position, the use of which is limited by external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, constitutional provisions or enabling legislation.

Unrestricted net position – consisting of net position that does not meet the definition of “net investment in capital assets” or “restricted.”

The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(M) Recent Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2014-09, Revenue from Contracts with Customers (ASU 606). The FASB issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016, May 2016, December 2016, September 2017, and November 2017 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12, ASU 2016-20, ASU 2017-13, and ASU 2017-14, respectively. The core principle of the new revenue standard is that an organization recognizes revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The new revenue standard is effective for the fiscal years beginning after December 15, 2018, with early adoption permitted, and is to be applied retrospectively.

(N) Revenue Recognition – Operating Revenue

Effective October 1, 2019, the Authority has adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, “Revenue from Contracts with Customers,” and a series of amendments which together hereinafter are referred to as “ASC Topic 606” using the modified retrospective approach.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)

NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

(N) Revenue Recognition – Operating Revenue (Continued)

The new standard outlined a single comprehensive model for organizations to use in accounting for revenues arising from contracts with customers. Central to the new revenue recognition framework is a five-step revenue recognition model that requires reporting organizations to:

1. Identify the contract;
2. Identify the performance obligations of the contract;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to the performance obligations, and;
5. Recognize revenue.

Revenue is recognized when the Authority satisfies its performance obligation under the contract by providing public transportation to citizens. Revenue is measured at the amount of consideration the Authority expects to receive in exchange for providing services.

Revenue from the Authority's operations is recognized at the time the service is complete.

The Authority believes that the adoption of ASU 2014-09 has no material effect on revenue recognition, operating income, or its statement of net position as of September 30, 2020 and for the year then ended.

(O) Consideration of Subsequent Events

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency in response to a new strain of a coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified that COVID-19 outbreak as a pandemic based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the global situation and its effect on the Authority's industry, financial condition, liquidity, and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Authority is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2021. However, if the pandemic continues, it may have a material adverse effect on the Authority's results of future operations, financial position, and liquidity in fiscal year 2021.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)**

NOTE 2: MEMORANDUM OF UNDERSTANDING

In December 1976, E.O.R.T.A. and the Ohio Valley Regional Transportation Authority (O.V.R.T.A.) entered into a contract, referred to as a “Memorandum of Understanding”, whereby the two statutory corporations agreed to coordinate their mutual efforts for the purpose of providing interstate mass transit bus service for the local areas in West Virginia and Ohio. One of the provisions of the contract stated that every effort would be made by each organization to assure sufficient funding to cover any operating deficit which may occur. Another provision of the contract stated that the corporations would share total operating expenses in proportion to the total bus mileage incurred by each authority.

O.V.R.T.A. accounts for substantially all operating expenses of both authorities. O.V.R.T.A. bills E.O.R.T.A. on a monthly basis for E.O.R.T.A.’s respective share of operating expenses, which relate to services provided in Ohio.

E.O.R.T.A. contributed \$1,409,291.85 and \$1,321,528.27 to Authority operations for the years ended September 30, 2020 and 2019, respectively. As of September 30, 2020 and 2019, outstanding expense reimbursements payable to OVRTA from EORTA was \$581,050.18 and \$802,797.97, respectively.

NOTE 3: CONTINGENCIES

E.O.R.T.A. receives a substantial amount of its support through grants from the Federal Transit Administration and the State of Ohio, along with tax levy collections from Belmont and Jefferson Counties. A significant reduction of this support would have a major effect on E.O.R.T.A.’s activities.

Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grants. Questioned costs could be identified during audits to be conducted in the future. In the opinion of E.O.R.T.A.’s management, no material grant expenditures would be disallowed.

NOTE 4: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. Commercial insurance has been obtained through National Union Fire Company to cover damages or destruction of the Authority’s property and for public liability, personal injury, and third-party damage claims.

Employee health care benefits are provided under a group insurance arrangement and the Authority is insured through a private insurance provider for workers’ compensation benefits.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)**

NOTE 4: RISK MANAGEMENT (CONTINUED)

Settled claims did not exceed the Authority's commercial insurance coverage for fiscal years 2020 and 2019.

The Authority's umbrella liability is protected by National Union Fire Company with a \$1,000,000 single occurrence and aggregate limit. Vehicles are covered by National Union Fire Company and have a \$5,000 deductible for comprehensive collision. Automobile liability has a \$1,000,000 combined single limit of liability.

NOTE 5: NONEXCHANGE TRANSACTIONS

In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. E.O.R.T.A.'s principal nonexchange transactions involve the receipt of monies from local tax levies along with federal, state and local grants for operating assistance as well as the acquisition of property, facilities and equipment. E.O.R.T.A.'s nonexchange transactions also include reimbursement-type grants, which are recorded as revenue in the period the related expenditures are incurred. Any monies received in advance of the period in which the related expenditures are incurred are recorded as deferred revenue until the expenditures are incurred.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)

NOTE 6: CAPITAL ASSETS

At September 30, 2020 and 2019, capital assets comprise the following:

2020	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Revenue vehicles	\$ 1,048,991.60	\$ -	\$ (126,169.00)	\$ 922,822.60
Service vehicles	41,028.61	-	-	41,028.61
Supervisor vehicle	44,354.00	-	-	44,354.00
Bus shelters	89,269.96	-	-	89,269.96
Shop equipment	121,570.91	-	-	121,570.91
Communication equipment	33,373.60	-	-	33,373.60
Fare boxes	14,769.48	-	-	14,769.48
Total capital assets, being depreciated	<u>1,393,358.16</u>	<u>-</u>	<u>(126,169.00)</u>	<u>1,267,189.16</u>
Less accumulated depreciation for:				
Revenue vehicles	(806,026.32)	(82,503.84)	126,169.00	(762,361.16)
Service vehicles	(41,028.61)	-	-	(41,028.61)
Supervisor vehicle	(44,354.00)	-	-	(44,354.00)
Bus shelters	(87,585.01)	(1,542.60)	-	(89,127.61)
Shop equipment	(108,169.65)	(5,006.04)	-	(113,175.69)
Communication equipment	(33,373.60)	-	-	(33,373.60)
Fare boxes	(9,168.51)	(744.96)	-	(9,913.47)
Total accumulated depreciation	<u>(1,129,705.70)</u>	<u>(89,797.44)</u>	<u>126,169.00</u>	<u>(1,093,334.14)</u>
Total capital assets, net	<u>\$ 263,652.46</u>	<u>\$ (89,797.44)</u>	<u>\$ -</u>	<u>\$ 173,855.02</u>
2019	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Revenue vehicles	\$ 1,048,991.60	\$ -	\$ -	\$ 1,048,991.60
Service vehicles	41,028.61	-	-	41,028.61
Supervisor vehicle	44,354.00	-	-	44,354.00
Bus shelters	89,269.96	-	-	89,269.96
Shop equipment	119,440.22	2,130.69	-	121,570.91
Communication equipment	33,373.60	-	-	33,373.60
Fare boxes	14,769.48	-	-	14,769.48
Total capital assets, being depreciated	<u>1,391,227.47</u>	<u>2,130.69</u>	<u>-</u>	<u>1,393,358.16</u>
Less accumulated depreciation for:				
Revenue vehicles	(723,522.42)	(82,503.90)	-	(806,026.32)
Service vehicles	(41,028.61)	-	-	(41,028.61)
Supervisor vehicle	(44,354.00)	-	-	(44,354.00)
Bus shelters	(78,658.02)	(8,926.99)	-	(87,585.01)
Shop equipment	(97,892.11)	(10,277.54)	-	(108,169.65)
Communication equipment	(33,373.60)	-	-	(33,373.60)
Fare boxes	(8,423.45)	(745.06)	-	(9,168.51)
Total accumulated depreciation	<u>(1,027,252.21)</u>	<u>(102,453.49)</u>	<u>-</u>	<u>(1,129,705.70)</u>
Total capital assets, net	<u>\$ 363,975.26</u>	<u>\$ (100,322.80)</u>	<u>\$ -</u>	<u>\$ 263,652.46</u>

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019
(Continued)**

NOTE 7: LEGAL PROCEEDINGS

The Authority is involved in legal actions in the ordinary course of its business. Although the outcome of any litigation cannot be predicted with certainty, management believes that any unfavorable settlements or decisions will either be covered by insurance or not materially affect the Authority's financial position or results of operation.

NOTE 8: SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through January 14, 2021, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

FEDERAL GRANTOR/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed Through Ohio Valley Regional Transit Authority:</i>			
Federal Transit Cluster			
Federal Transit Formula Grants	20.507	GRANT WV-2020-005	\$446,501
Federal Transit Forumla Grants - Covid-19	20.507	GRANT WV-2020-018	329,261
Total Federal Transit Cluster			<u>775,762</u>
Total U.S. Department of Transportation			<u>775,762</u>
Total Expenditures of Federal Awards			<u><u>\$775,762</u></u>

The accompanying notes are an integral part of the Schedule.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Eastern Ohio Regional Transit Authority (the Authority) under programs of the federal government for the year ended September 30, 2020. The information on this Schedule is prepared 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 the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Eastern Ohio Regional Transit Authority
Belmont County
21 South Huron Street
Wheeling, West Virginia 26003

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Eastern Ohio Regional Transit Authority, Belmont County, Ohio (the Authority), as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 7, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Authority.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. *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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Authority's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying Schedule of Findings and corrective action plan. We did not subject the Authority's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Eastern Ohio Regional Transit Authority
Belmont County
21 South Huron Street
Wheeling, West Virginia 26003

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited the Eastern Ohio Regional Transit Authority's, Belmont County, Ohio (the Authority), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Eastern Ohio Regional Transit Authority's major federal program for the year ended September 30, 2020. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Eastern Ohio Regional Transit Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 7, 2021

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Federal Transit Cluster, CFDA #20.507 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2020-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2020
(Continued)**

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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**FINDING NUMBER 2020-001
(Continued)**

Material Weakness (Continued)

All local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets (and liabilities, if generally accepted accounting principles apply), document compliance with finance-related legal and contractual requirements and prepare financial statements.

We noted the Authority understated Accounts Payable by \$165,900 in fiscal year 2020.

The Finance Director made the adjustments to the Authority's records and the adjustments are reflected in the accompanying financial statements.

We also noted the Authority posted Homestead and Rollback Tax in the amount of \$7,402 to Taxes instead of Intergovernmental in fiscal year 2020.

This adjustment was not deemed significant and is not reflected in the accompanying financial statements.

The Authority did not have internal control procedures in place to determine amounts were posted to an accurate classification nor did the Authority have procedures in place to ensure the accuracy of accounts payable.

The Authority should utilize available authoritative resources to ensure the financial statements accurately reflect all financial transactions.

Official's Response: See Corrective Action Plan on page 33.

3. FINDINGS FOR FEDERAL AWARDS

None.



REGIONAL TRANSPORTATION AUTHORITIES

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WHEELING, WV 26003
PHONE (304) 232-2190

TDD # 1-800-982-8771
AD(VAN)TAGE # (304) 232-1744

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
SEPTEMBER 30, 2020**

Finding Number:	2020-001
Planned Corrective Action:	The person responsible for properly posting revenues and expenses is the Finance Director. Our Finance Director had a trauma in his life this past year. (His wife died) It was only after that event occurred that we discovered that he stopped paying attention to his job duties. He has since been let go and this problem has been corrected.
Anticipated Completion Date:	This was completed on November 19, 2020.
Responsible Contact Person:	Melissa M. Weishar – Executive Director

OHIO AUDITOR OF STATE KEITH FABER



EASTERN OHIO REGIONAL TRANSIT AUTHORITY

BELMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 5/6/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov