



OHIO AUDITOR OF STATE
KEITH FABER



**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY
SEPTEMBER 30, 2023**

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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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the Eastern Ohio Regional Transit Authority, Belmont County, Ohio (Authority), as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Eastern Ohio Regional Transit Authority, Belmont County, Ohio as of September 30, 2023 and 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2024

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**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2023, 2022 and 2021**

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, 2023 (FY2023), 2022 (FY2022) and 2021 (FY2021). 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 2023 by \$2,566,433.57, in 2022 by \$1,821,892.39 and in 2021 by \$1,585,001.28. This amount may be used to meet the Authority's ongoing obligations to users.
- In FY2023, The Authority's total capital assets increased by \$805,831.00.
- Total operating revenue for the year ended September 30, 2023 is \$58,381.72, a decrease of \$3,235.17 compared to operating revenue of \$61,616.89 for year ended September 30, 2022. Total operating revenue for the year ended September 30, 2022 increased by \$3,369.39 compared to operating revenue of \$58,247.50 for the year ended September 30, 2021. These changes in revenue are the result of the quantity of people choosing to use the bus during the recent fiscal years.
- Non-operating revenues decreased \$297,591.87 from FY2022; the majority of this decrease is due to the ARP grant not being as much as the Cares Act grant. Non-operating revenues decreased \$124,014.15 from FY2021 to FY2022: the majority of this decrease was due to CARES ACT funds.
- Total operating expenses, excluding depreciation were \$1,437,640.26 in the fiscal year ended September 30, 2023, a decrease of \$22,076.13 over the September 30, 2022 balance of \$1,459,716.39. The FY2022 balance showed an increase of \$25,093.17 over FY2021 due to an increase in the operating subsidy from OVRTA, Ohio clerk fees and Ohio levy expense.

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.

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.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2023, 2022 and 2021
(Continued)**

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, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS:</u>			
Cash	2,565,282.28	2,115,929.39	2,269,561.05
Investments	57,000.00	57,000.00	57,000.00
Accounts Receivable	27,574.74	28,053.22	0.00
Accounts Rec RCI	0.00	5,096.00	0.00
Accrued Interest Receivable	3.14	1.92	0.63
Net Capital Assets	1,016,933.37	14,407.92	73,730.82
Restricted Cash	0.00	0.00	33,525.00
Total Assets	<u>3,666,793.53</u>	<u>2,220,488.45</u>	<u>2,433,817.50</u>
<u>LIABILITIES:</u>			
Current Liabilities	1,100,359.96	398,596.06	815,291.22
Long-Term Liabilities	0.00	0.00	33,525.00
Total Liabilities	<u>1,100,359.96</u>	<u>398,596.06</u>	<u>848,816.22</u>
<u>NET POSITION:</u>			
Net Investment in capital assets	1,016,933.37	14,407.92	73,730.82
Unrestricted	<u>1,549,500.20</u>	<u>1,807,484.47</u>	<u>1,511,270.46</u>
Total Net Position	<u>2,566,433.57</u>	<u>1,821,892.39</u>	<u>1,585,001.28</u>
Total Liabilities & Net Position	<u>3,666,793.53</u>	<u>2,220,488.45</u>	<u>2,433,817.50</u>

The condensed statement of net position indicates that current assets increased by \$1,446,305.08 during fiscal year 2023, and decreased by \$213,329.05 during fiscal year 2022 due to CARES ACT funds.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2023, 2022 and 2021
(Continued)**

A Condensed Statement of Revenues, Expenses and Changes in Fund Net Position - Years ended
September 30, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues:			
Passenger Fares & Bus Passes	58,381.72	61,616.89	58,247.50
Miscellaneous Revenue	0.00	0.00	0.00
Operating Revenue	<u>58,381.72</u>	<u>61,616.89</u>	<u>58,247.50</u>
Operating Expenses:			
Ohio Clerk Fees	14,964.64	12,473.44	10,273.11
Operating Subsidy - OVRTA	1,422,675.62	1,447,242.95	1,424,350.11
Ohio Levy Expense	0.00	0.00	0.00
Depreciation	41,446.55	59,322.53	74,409.00
Operating Income (loss)	<u>(1,420,705.09)</u>	<u>(1,457,422.03)</u>	<u>(1,450,784.72)</u>
Non-Operating Revenues (expenses):			
Federal Assistance	295,040.00	0.00	0.00
CARES ACT Assistance	0.00	578,080.41	1,129,646.20
ARP operating	331,145.00	445,294.59	0.00
RCI/ODOT	16,683.00	25,816.00	0.00
Local levy revenue	578,357.42	575,592.54	549,709.08
State of Ohio	133,786.59	86,146.35	160,345.87
Intergovernmental	0.00	0.00	0.00
Interest & other income	40,844.26	9,199.25	4,341.34
RCI expense	(2,896.00)	(25,816.00)	0.00
Gain (loss) on disposal of assets	3,761.00	0.00	(25,715.20)
Net total non-operating revenue	<u>1,396,721.27</u>	<u>1,694,313.14</u>	<u>1,818,327.29</u>
Income before capital funding	<u>(23,983.82)</u>	<u>236,891.11</u>	<u>367,542.57</u>
Capital grant revenue:			
Federal	<u>768,525.00</u>	<u>0.00</u>	<u>0.00</u>
Increase (decrease) in net position	744,541.18	236,891.11	367,542.57
Total net position, beginning of year	<u>1,821,892.39</u>	<u>1,585,001.28</u>	<u>1,217,458.71</u>
Total net position, end of year	<u><u>2,566,433.57</u></u>	<u><u>1,821,892.39</u></u>	<u><u>1,585,001.28</u></u>

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Fiscal Years Ended September 30, 2023, 2022 and 2021
(Continued)**

Net position increased by \$744,541.18 from FY2022 to FY2023. This increase was principally due Federal funds for four new replacement buses. An increase in net position by \$236,891.11 from FY2021 to FY2022 was principally due to ARP funds.

The overall decrease of \$22,076.13 in the operating expenses excluding depreciation between FY2023 to FY2022 is associated with operating with staff shortages. The overall increase of \$25,093.17 in operating expenses excluding depreciation between FY 2022 to FY2021 is associated with the higher fuel costs.

ECONOMIC CONDITIONS AND OUTLOOK

The Authority's FY2023 budget had an overall increase in expenses of \$200,394.00. 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.

On November 7, 2023, the Authority's excess \$2.5 million replacement levy was passed by voters of Belmont and Jefferson Counties for calendar years 2024, 2025 and 2026.

EORTA appears to have done well in FY2023. 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 and was completely expended in FY2022. EORTA has also received \$776,440.00 in ARP funds in FY2022 and FY2023. 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. In FY2023, EORTA finished using its ARP funds.

Since FY2014 health insurance has been a major concern for both EORTA and OVRTA. We have chosen Aetna as our health insurance provider and the premiums decreased in July.

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
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022 (AUDITED)
CURRENT ASSETS:		
Cash	\$ 2,565,282.28	\$ 2,115,929.39
Certificates of deposit	57,000.00	57,000.00
Total cash and cash equivalents	2,622,282.28	2,172,929.39
Accrued interest receivable	3.14	1.92
Accounts receivable - Ohio Auditor of State	27,574.74	28,053.22
Accounts receivable- RCI	-	5,096.00
Total accounts receivable	27,577.88	33,151.14
Total current assets	2,649,860.16	2,206,080.53
CAPITAL ASSETS:		
Revenue vehicles	1,664,365.60	858,534.60
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
Fare boxes	14,769.48	14,769.48
Total capital assets	1,975,358.56	1,169,527.56
Less: accumulated depreciation	(958,425.19)	(1,155,119.64)
Net capital assets	1,016,933.37	14,407.92
Total assets	\$ 3,666,793.53	\$ 2,220,488.45

See accompanying notes to the basic financial statements.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u> (AUDITED)
CURRENT LIABILITIES:		
Accounts payable - O.V.R.T.A.	\$ 1,100,359.96	\$ 365,071.06
Total current liabilities	<u>1,100,359.96</u>	<u>365,071.06</u>
 LONG-TERM LIABILITIES		
Deferred FTA grant revenue	<u>-</u>	<u>33,525.00</u>
Total long-term liabilities	<u>-</u>	<u>33,525.00</u>
 Total liabilities	<u>1,100,359.96</u>	<u>398,596.06</u>
 NET POSITION:		
Net investment in capital assets	1,016,933.37	14,407.92
Unrestricted	1,549,500.20	1,807,484.47
Total net position	<u>2,566,433.57</u>	<u>1,821,892.39</u>
 Total liabilities and net position	<u>\$ 3,666,793.53</u>	<u>\$ 2,220,488.45</u>

See accompanying notes to the basic financial statements.

EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022 (AUDITED)
OPERATING REVENUES:		
Passenger fares	\$ 44,836.92	\$ 46,111.79
Van fares	1,333.80	1,172.60
Bus passes	12,211.00	14,332.50
Total operating revenue	58,381.72	61,616.89
OPERATING EXPENSES EXCLUDING DEPRECIATION:		
Ohio clerk fees	14,964.64	12,473.44
Operating subsidy - O.V.R.T.A.	1,422,675.62	1,447,242.95
Total operating expenses excluding depreciation	1,437,640.26	1,459,716.39
Operating loss before depreciation	(1,379,258.54)	(1,398,099.50)
Depreciation and amortization expense	41,446.55	59,322.53
Operating loss	(1,420,705.09)	(1,457,422.03)
NONOPERATING REVENUES (EXPENSES):		
Grants and subsidies:		
F.T.A.	295,040.00	-
CARES Act	-	578,080.41
ARP operating	331,145.00	445,294.59
RCI/ODOT	16,683.00	25,816.00
Ohio Elderly Bus Fare Assistance Program	71,588.00	-
State of Ohio, Rollbacks and Homestead Exemptions	62,198.59	86,146.35
Tax levy - Belmont County	520,190.39	511,595.38
Tax levy - Jefferson County	58,167.03	63,997.16
Interest and other income	40,844.26	9,199.25
RCI expense	(2,896.00)	(25,816.00)
Gain on disposal of assets	3,761.00	-
Net total nonoperating revenue	1,396,721.27	1,694,313.14
Income before capital funding	(23,983.82)	236,891.11
CAPITAL FUNDING:		
Federal grants and reimbursements	768,525.00	-
Total capital funding	768,525.00	-
Increase in net position	744,541.18	236,891.11
Total net position, beginning of year	1,821,892.39	1,585,001.28
Total net position, end of year	\$ 2,566,433.57	\$ 1,821,892.39

See accompanying notes to the basic financial statements.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

	2023	2022 (AUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from ridership revenues	\$ 63,956.20	\$ 28,468.04
Cash paid to O.V.R.T.A.	<u>(687,386.72)</u>	<u>(1,897,463.11)</u>
Net cash used by operating activities	<u>(623,430.52)</u>	<u>(1,868,995.07)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from CARES Act	-	578,080.41
Cash received from ARP Act	331,145.00	445,294.59
Cash received from federal, state and local operating assistance programs, net of clerk fees	427,648.95	73,672.91
Cash received from tax levies	<u>578,357.42</u>	<u>575,592.54</u>
Net cash provided by noncapital financing activities	<u>1,337,151.37</u>	<u>1,672,640.45</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received: Federal, state, and other local	735,000.00	-
Purchases of capital assets	(1,043,972.00)	-
Proceeds from the sale of capital assets	3,761.00	-
Net cash used by capital and related financing activities	<u>(305,211.00)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	<u>40,843.04</u>	<u>9,197.96</u>
Net cash provided by investing activities	<u>40,843.04</u>	<u>9,197.96</u>
Net increase (decrease) in cash, cash equivalents and restricted cash	449,352.89	(187,156.66)
Cash, cash equivalents and restricted cash, beginning of year	2,172,929.39	2,360,086.05
Cash, cash equivalents and restricted cash, end of year	<u>\$ 2,622,282.28</u>	<u>\$ 2,172,929.39</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	<u>\$ (1,420,705.09)</u>	<u>\$ (1,457,422.03)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	41,446.55	59,322.90
Ohio clerk fees	14,964.64	12,473.44
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	5,574.48	(33,149.22)
Increase (decrease) in accounts payable - O.V.R.T.A.	<u>735,288.90</u>	<u>(450,220.16)</u>
Total adjustments	<u>797,274.57</u>	<u>(411,573.04)</u>
Net cash used by operating activities	<u>\$ (623,430.52)</u>	<u>\$ (1,868,995.07)</u>

See accompanying notes to the basic financial statements.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022**

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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(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 2023 and 2022.

(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. 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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(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, 2023 and 2022, all of E.O.R.T.A.'s investments in certificates of deposit were deposited with a single financial institution.

In 2023 and 2022, the Authority's financial institution was a participant in the Ohio Pooled Collateral System and all deposits were fully insured.

(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 significant reclassifications for the fiscal year ended September 30, 2023.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(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) Revenue Recognition – Operating Revenue

Effective October 1, 2019, the Authority 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.

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

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(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 \$1,422,675.62 and \$1,447,242.95 to Authority operations for the years ended September 30, 2023 and 2022, respectively. As of September 30, 2023 and 2022, outstanding expense reimbursements payable to OVRTA from EORTA was \$1,100,359.96 and \$365,071.06, 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 The West Virginia Board of Risk and Insurance Management 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.

Settled claims did not exceed the Authority’s commercial insurance coverage for fiscal years 2023 and 2022.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(CONTINUED)**

NOTE 4: RISK MANAGEMENT (CONTINUED)

The Authority's umbrella liability is protected by The West Virginia Board of Risk and Insurance Management with a \$1,000,000 single occurrence and aggregate limit. Vehicles are covered by The West Virginia Board of Risk and Insurance Management and have a \$2,500 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 THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(CONTINUED)

NOTE 6: CAPITAL ASSETS

At September 30, 2023 and 2022, capital assets comprise the following:

2023	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Revenue vehicles	\$ 858,534.60	\$ 1,043,972.00	\$ (238,141.00)	\$ 1,664,365.60
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
Fare boxes	14,769.48	-	-	14,769.48
Total capital assets, being depreciated	<u>1,169,527.56</u>	<u>1,043,972.00</u>	<u>(238,141.00)</u>	<u>1,975,358.56</u>
Less accumulated depreciation for:				
Revenue vehicles	(847,994.55)	(40,199.41)	238,141.00	(650,052.96)
Service vehicles	(41,028.61)	-	-	(41,028.61)
Supervisor vehicle	(44,354.00)	-	-	(44,354.00)
Bus shelters	(89,259.02)	(10.94)	-	(89,269.96)
Shop equipment	(121,079.77)	(491.14)	-	(121,570.91)
Fare boxes	(11,403.69)	(745.06)	-	(12,148.75)
Total accumulated depreciation	<u>(1,155,119.64)</u>	<u>(41,446.55)</u>	<u>238,141.00</u>	<u>(958,425.19)</u>
Total capital assets, net	<u>\$ 14,407.92</u>	<u>\$ 1,002,525.45</u>	<u>\$ -</u>	<u>\$ 1,016,933.37</u>
2022	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Revenue vehicles	\$ 858,534.60	\$ -	\$ -	\$ 858,534.60
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>1,202,901.16</u>	<u>-</u>	<u>(33,373.60)</u>	<u>1,169,527.56</u>
Less accumulated depreciation for:				
Revenue vehicles	(793,434.66)	(54,559.89)	-	(847,994.55)
Service vehicles	(41,028.61)	-	-	(41,028.61)
Supervisor vehicle	(44,354.00)	-	-	(44,354.00)
Bus shelters	(89,193.31)	(65.71)	-	(89,259.02)
Shop equipment	(117,127.63)	(3,952.14)	-	(121,079.77)
Communication equipment	(33,373.60)	-	33,373.60	-
Fare boxes	(10,658.53)	(745.16)	-	(11,403.69)
Total accumulated depreciation	<u>(1,129,170.34)</u>	<u>(59,322.90)</u>	<u>33,373.60</u>	<u>(1,155,119.64)</u>
Total capital assets, net	<u>\$ 73,730.82</u>	<u>\$ (59,322.90)</u>	<u>\$ -</u>	<u>\$ 14,407.92</u>

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
(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 statement of net position 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 statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes.

During the November 7, 2023 general election, the voters of Belmont and Jefferson Counties voted to approve the renewal of an operating levy for Eastern Ohio Regional Transit Authority.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

FEDERAL GRANTOR/ Pass-Through Grantor Program Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Valley Regional Transit Authority:</i>			
Federal Transit Cluster			
Urbanized Area Formula Grants (ARPA)	20.507	GRANT WV-2022-006-00	\$ 331,145
Urbanized Area Formula Grants	20.507	GRANT WV-2023-015-00	295,040
Urbanized Area Formula Grants	20.507	GRANT WV-2023-015-00	252,000
Buses and Bus Facilities Formula	20.526	GRANT WV-2022-014-00	<u>483,000</u>
Total Federal Transit Cluster			1,361,185
Total U.S. Department of Transportation			<u>1,361,185</u>
Total Expenditures of Federal Awards			<u>\$ 1,361,185</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, 2023**

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, 2023. 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.

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Eastern Ohio Regional Transit Authority, Belmont County, (the Authority) as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 28, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2024

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

Opinion on the Major Federal Program

We have audited the Eastern Ohio Regional Transit Authority's, Belmont County, (Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Eastern Ohio Regional Transit Authority's major federal program for the year ended September 30, 2023. Eastern Ohio Regional Transit Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Eastern Ohio Regional Transit Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2024

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**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2023**

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)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(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"> • AL #20.507 / AL #20.526, Federal Transit Cluster 	
(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. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2023-001

Significant Deficiency

A well-designed system of internal control will include monitoring of financial reports and information by the governing board in order to compensate for any lack of segregation of duties. Due to the Authority's Executive Director also serving as the Interim Finance Director from March 2023 through the end of the audit period in September 2023, the Authority did not allow for an adequate segregation of duties. The Executive Director / Interim Finance Director performed several accounting functions, including receipting, depositing and reconciling. It is therefore important for the Authority's board members to monitor financial activity closely.

**EASTERN OHIO REGIONAL TRANSIT AUTHORITY
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
SEPTEMBER 30, 2023
(Continued)**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2023-001
(Continued)**

Significant Deficiency (Continued)

There was no documentation in the minutes that the Board was provided with or formally approved detailed financial reports, such as bank reconciliations, bank statements, payments or receipts reports, or budget versus actual reports.

Failure to adequately monitor the Authority's activities by means of formally documenting accounting reports and other financial information being provided to and approved by the Authority's board in the minute records could result in errors or irregularities to occur and remain undetected.

The Finance Director should ensure the following records are formally documented as being provided to and approved by the board in order to adequately monitor the Authority's activities: bank reconciliations, bank statements, receipt and expense ledgers, cash journals, general ledgers, budget versus actual reports for receipts and disbursements, and a list of bills to be paid or check registers. Duties including the receipt of cash, depositing and posting activity should be appropriately segregated through the positions of the Executive Director and Finance Director.

Officials' Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS 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, 2023

Finding Number:	2023-001
Planned Corrective Action:	The Board of Trustees will receive a financial report at each meeting stating the cash on hand, the cash received and disbursed since the last meeting. The Board will be asked to accept the financial report with a motion, a second to the motion and a vote.
Anticipated Completion Date:	September 30, 2024
Responsible Contact Person:	Finance 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 6/25/2024

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