

**EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
YOUNGSTOWN, OHIO**

AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Directors
Eastgate Development and Transportation Agency
Youngstown, Ohio

We have reviewed the Independent Auditor's Report of the Eastgate Development and Transportation Agency, Mahoning County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Eastgate Development and Transportation Agency is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

April 30, 2001

This Page is Intentionally Left Blank.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2000

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Balance Sheet	3
Statement of Revenue, Expenditures, and Changes in Retained Earnings	4
Statement of Cash Flows	5
Notes to Financial Statements	6-15
Schedule of Expenditures of Federal Awards	16
Notes to Schedule of Expenditures of Federal Awards	17
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	18-19
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	20-21
Schedule of Fringe Benefits and Computation of Fringe Benefit Rates	22
Schedule of Indirect Costs and Computation of Indirect Cost Rates	23
Statement of Revenue and Expenses - FHWA/ODOT Grant	24
SHWA/ODOT - Carryover	25
ODOT STP - TRC Softmatch	26
ODOT STP - TRC Softmatch Carryover	27

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2000

TABLE OF CONTENTS

	<u>PAGE</u>
Statement of Revenue and Expenditures - (Continued)	
ODOT - STP - Rideshare	28
ODOT - Intelligent Transportation System (ITS)	29
ODOT - CMAQ Ozone Action Program	30
ODOT - STP Aerial Photos	31
ODOT - Solar Powered Message Boards - Changeable	32
FTA SECTION 9 -	
7/1/99-12/31/99	33
1/1/00-6/30/00	34
EPA - Water Quality Planning-604(B)	35
EPA - Regional Environmental Planning - Ohio Legislative Funds	36
U.S. Department of Defense - Procurement Technical Assistance for Business Firms -	
07/01/99 - 10/31/99	37
11/01/99 - 06/30/00	38
U.S. Department of Commerce (EDA)	39
Status of Prior Reportable Conditions and Recommendations	40
Schedule of Findings and Questioned Costs	41-42

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eastgate Development and
Transportation Agency
Youngstown, Ohio

We have audited the accompanying financial statements of Eastgate Development and Transportation Agency, Ohio as of and for the year ended June 30, 2000 as listed in the Table of Contents. These financial statements are the responsibility of Eastgate Development and Transportation Agency, Ohio's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastgate Development and Transportation Agency, Ohio as of June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 28, 2000 on our consideration of EDATA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Eastgate Development and Transportation Agency taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The supplemental data on pages 22 through 39 (as listed in the Table of Contents) is presented for additional analysis and are not a required part of the financial statements of Eastgate Development and Transportation Agency, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

December 28, 2000

James G. Zupka
Certified Public Accountant

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
BALANCE SHEET
JUNE 30, 2000

ASSETS

Current Assets

Cash	\$ 193,083
Accounts Receivable (Net)	462,263
Prepaid Expenditures	10,717
Total Current Assets	666,063

Other Assets

Deferred Charges	765
Total Other Assets	765

Property and Equipment (Note A):

Furniture and Fixtures	16,832
Equipment	143,129
Leasehold Improvements	18,755
Less: Accumulated Depreciation	(157,741)
Total Property and Equipment	20,975

TOTAL ASSETS	\$ 687,803
---------------------	-------------------

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts Payable	\$ 144,138
Payroll Withholding	6,668
Accrued Payroll	26,532
Fringe Benefits (Note D)	96,058
Payroll Taxes	10,605
Deferred Revenue	87,786
Total Current Liabilities	371,787

Total Liabilities	371,787
-------------------	----------------

Retained Earnings	316,016
-------------------	----------------

TOTAL LIABILITIES AND FUND BALANCE	\$ 687,803
---	-------------------

The notes to the financial statements are an integral part of these statements.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED JUNE 30, 2000

REVENUES

Intergovernmental Revenue	\$1,056,334
Interest Revenue	1,664
Membership Dues	165,455
Charge for Services	311,026
TOTAL REVENUES	1,534,479

EXPENSES

Direct Expenses

Salaries	499,692
Other Direct Expenses	354,853
Total Direct Expenses	854,545

Indirect Expenses

General Administrative and Fiscal Costs	80,475
Computer Updates	13,766
Travel	8,608
Telephone	11,760
Duplicating and Printing	6,657
Machine Rental and Maintenance	4,610
Office Supplies	2,394
Occupancy	55,308
Insurance	1,599
Professional Services	22,061
Postage	801
Miscellaneous	1,276
Depreciation	4,042
Depreciation - Local Assets	22,934
Total Indirect Expenses	236,291

Fringe Benefits

Paid Leave	111,546
Hospitalization	94,455
Payroll Taxes	102,136
Total Fringe Benefits	308,137

TOTAL EXPENSES

	1,398,973
Excess of Revenue Over (Under) Expenditures	135,506
Retained Earnings - July 1, 1999	206,382
Adjustments to Retained Earnings (Note 1)	(25,872)

Retained Earnings - June 30, 2000	\$ 316,016
-----------------------------------	-------------------

The notes to the financial statements are an integral part of these statements.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000

	<u>June 30,</u> <u>2000</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Increase (Decrease) in Retained Earnings	\$ 135,506
Adjustments to Reconcile Increase in Retained Earnings: to Net Cash Provided by Operating Activities	
Depreciation	26,976
(Increase) Decrease in Operating Assets:	
(Increase) Decrease in Accounts Receivable	(237,771)
(Increase) Decrease in Prepaid Expenditures	(1,052)
Increase (Decrease) in Operating Liabilities:	
Increase in Accounts Payable	99,831
(Decrease) in Accrued Wages and Benefits	(9,188)
Increase in Payroll Withholding	5,260
Increase in Payroll Taxes	5,248
Increase in Deferred Revenue	10,116
Net Cash Provided by Operating Activities	<u>34,926</u>
<u>CASH FLOWS USED IN INVESTING ACTIVITIES</u>	
Purchase of Equipment	(7,795)
Net Cash Used in Investment Activities	<u>(7,795)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>27,131</u>
Beginning Cash and Cash Equivalents	<u>165,952</u>
Ending Cash and Cash Equivalents	<u><u>\$ 193,083</u></u>

The notes to the financial statements are an integral part of these statements.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE A: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General

Eastgate Development and Transportation Agency (EDATA) was established on January 1, 1973. EDATA is a government entity created under the provisions of Chapter 167 of the Ohio Revised Code.

EDATA is organized as a voluntary organization of local government subdivisions in Ashtabula, Columbiana, Mahoning, and Trumbull counties. Its purpose is to foster a cooperative effort in regional planning, programming, and the implementation of regional plans and programs. It is a forum for the discussion and study of common problems of a regional nature and for the development of policy and action recommendations relating thereto. EDATA is considered a jointly governed organization since each of the participating counties have equal representation and the counties have no financial responsibility.

EDATA derives its funds to support its operations from Federal and State grants, dues from local government bodies desiring membership in EDATA, and contractual agreements between local government bodies and EDATA for the performance of specific studies and surveys. Because the Agency derives a majority of its revenue from dues and charges for services, these statements are shown as proprietary activities.

With respect to proprietary activities, the Agency has adopted GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*. The Agency has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict pronouncements.

EDATA is governed by a General Policy Board which utilizes an administrative staff headed by a director for daily operations.

Method of Accounting

The Agency's funds are accounted for using the accrual basis of accounting. Revenues are recognized as earned from grant agencies when the related expenses are recognized. Direct costs are billed to grantor agencies at actual cost; indirect costs are billed at a provisional rate and an adjustment is made annually for differences between amount billed and indirect costs incurred. Local revenue funds are recognized as revenue in the period in which they are assessed. The recognition of local revenue funds received which relate to assessments for subsequent years is deferred.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE A: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Cash and Cash Equivalents

EDATA considers all liquid debt instruments purchased with temporary cash that have an original maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost. The Agency's policy as to depreciation is to amortize the cost of depreciable assets over their estimated useful lives computed by the straight-line method. Furniture and equipment are purchased principally with local funds.

NOTE B: **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

State statutes classify monies held by EDATA into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in EDATA, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that EDATA has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit account including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

Protection of EDATA's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE B: **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (Continued)

Legislation now permits interim monies to be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to daily, and that the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio;
5. No-loan money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE B: **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (Continued)

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purchase of arbitrage, the use of leverage, and short selling are prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of EDATA and must be purchased with the expectation that it will be held until maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classified deposits and investments by categories of risk as defined in GASB Statement No. 3, *Deposits with Financial Institutions, Investments, and Repurchase Agreements*.

Deposits

The Governmental Accounting Standards Board has established risk categories for deposits as follows:

- Category 1* - Insured or collateralized with securities held by EDATA or its agent in EDATA's name.
- Category 2* - Collateralize with securities held by the pledging financial institution's trust department or agent in EDATA's name.
- Category 3* - Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging institution or its trust department or agent but not in EDATA's name.)

All deposits are carried at cost. At year end, the carrying amount of EDATA's cash and deposits was \$193,083, and the bank balance was \$248,131. Of the bank balance, \$180,045 was insured and \$68,086 was classified as Risk Category 3.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE B: **DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (Continued)

Investments

The Governmental Accounting Standards Board has established risk categories for investments as follows:

- Category 1* - Investments that are insured or registered or for which the securities are held by EDATA or its agent in EDATA's name.
- Category 2* - Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in EDATA's name.
- Category 3* - Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in EDATA's name.

EDATA's uncategorized investments at June 30, 2000 were none.

NOTE C: **PUBLIC EMPLOYEES RETIREMENT SYSTEM (the PERS OF OHIO)**

The PERS of Ohio adopted GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and GASB Statement No. 26, *Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans* in 1994 and have applied the provisions of these statements retroactively to January 1, 1993. The following information was provided by the PERS of Ohio to assist EDATA in complying with GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

1. **Pension Benefit Obligation**

All employees of EDATA participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE C: **PUBLIC EMPLOYEES RETIREMENT SYSTEM (the PERS OF OHIO)**
(Continued)

1. **Pension Benefit Obligation** (Continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for employees is 8.5%. The 2000 employer rate for local government employer units was 13.55% of covered payroll, 9.35% to fund the pension benefit obligation and 4.2% to fund health care. The contribution requirements of plan members and EDATA are established and may be amended by the Public Employees Retirement Board. EDATA's contributions to the PERS of Ohio for the years ending June 30, 2000, 1999, and 1998, were \$94,138, \$94,049, and \$83,394, respectively, which represents 100 percent contributions for all three years.

2. **Other Postemployment Benefits**

In addition to the pension benefit obligation described above, the PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. A portion of each employer's contribution to the PERS of Ohio is set aside for funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions and requires employers to fund postemployment health care through their contribution rate (identified above). The portion that was used to fund health care for the year 1999 was 4.2%, which amounted to \$28,376 of covered payroll.

Other Postemployment Benefits (OPEB) are financed through employer contributions and investment earnings thereon. Funding and accounting were on a pay-as-you-go basis. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely

Expenditures for other postemployment benefits during 1999 were \$523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were \$9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2000
 (CONTINUED)

NOTE C: **PUBLIC EMPLOYEES RETIREMENT SYSTEM (the PERS OF OHIO)**
 (Continued)

2. **Other Postemployment Benefits** (Continued)

During 1997, the Retirement board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal cost rates were determined for retiree health care coverage.

NOTE D: **ACCUMULATED UNPAID EMPLOYEE BENEFITS**

EDATA employees generally earn vacation leave ranging 10 to 25 days per year based on length of service. The amount accrued for vacation leave was \$65,305. The amount accrued for vacation leave was \$65,305. The amount accrued for sick leave was \$30,753 for a total liability for fringe benefits of \$96,058.

NOTE E: **LEASE**

The Agency originally leased its office facility under an operating lease which began October 1, 1989 and was for a five year term expiring September 30, 1994. The lease had been amended three times, for additional space and to extend the lease period through November 30, 1996. A fourth amendment was agreed upon December 11, 1996. The lease was renewed for an annual rent of \$52,718.28 or \$4,393.19 per month for the term of five years beginning December 1, 1996 and ending November 30, 2001.

Additional space was leased about January 1, 2000 and the monthly rent increased to \$4,862.82 or \$58,354 per year.

Minimum future rental commitments under a non-cancelable operating lease having an initial or remaining term in excess of one year as of June 30, 2000, are as follows:

July 1, 2000 to June 30, 2001	\$ 58,354
July 1, 2001 to November 30, 2001	24,314
Total Minimum Payments Required	\$ 82,668

Rental charged to operations amounted to \$55,308 in 2000.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE E: **LEASE** (Continued)

The Agency leases its copy machine from American Business Center. The lease commenced October 22, 1997 for a term of thirty nine (39) months which expires January 21, 2001. A security deposit was not required. Minimum future rental commitments under the lease are:

July 1, 2000 - January 21, 2001	\$ 2,939
Total Minimum Payments Required	<u>\$ 2,939</u> =====

NOTE F: **COST ALLOCATION METHOD**

EDATA annually has a Cost Allocation Plan agreement with the Ohio Department of Transportation (ODOT). This agreement establishes a preliminary fringe benefit rate and an indirect cost rate in advance of the beginning of the agreement year so that a budget can be prepared. However, the approved rates are based on estimates and will be revised by ODOT as an adjustment in future cost allocation plan agreements. Periodic billings are prepared based on the preliminary approved rates.

Costs were distributed to the projects and activities pursuant to a cost allocation plan and/or a method of allocation, as applicable, as required by Office Management and Budget Circular A-87 and Handbook 6042.1 Rev.

NOTE G: **DEFERRED COMPENSATION PLAN**

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all agency employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Payments of the deferred compensation are made to the Ohio Public Employees Deferred Compensation Board which is authorized by Ohio Revised Code Sections 145.71 through 145.73.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE G: **DEFERRED COMPENSATION PLAN** (Continued)

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Agency (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Agency's general creditors. Participants' rights under the plan are equal to those of general creditor's of the Agency in an amount equal to the fair market value of the deferred account for each participant.

The plan agreement states that the Agency and the Ohio Public Employees Deferred Compensation Board have no liability for losses under the plan with the exception of fraud or wrongful taking.

NOTE H: **CONTINGENCIES**

Under the terms of federal and state grants, periodic audits are required and certain expenditures may be questioned as not appropriate under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Management believes disallowances, if any, will be immaterial.

NOTE I: **ADJUSTMENT TO FUND BALANCE**

In prior periods, EDATA calculated, but did not accrue, sick leave on its books. During the year, EDATA adopted the State of Ohio method of calculating sick pay. For employees that have attained ten years or more of service, upon retirement the employee will receive compensation based on their hourly rate of pay times one-fourth the accumulated sick hours, subject to a cap of 960 accumulated hours, or paid for no more than 240 sick hours.

Because the majority of the accrued sick pay was earned prior to July 1, 1999, that portion (\$25,872) has been shown as a reduction in retained earnings. The portion earned in the current year ended June 30, 2000 (\$4,881) is included as a part of paid leave under Fringe Benefits Expenditures.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000
(CONTINUED)

NOTE J: **RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees and natural disasters. In order to minimize these components of risk, the Agency has obtained insurance coverage for risk of loss as follows:

Liability Aggregate Limit	\$ 2,000,000
Products	\$ 1,000,000
Each Occurrence	\$ 1,000,000
Fire Legal Liability	\$ 250,000
Medical Expenses	\$ 5,000
Business Property	\$ 150,000
Money and Securities - Inside	\$ 10,000
Money and Securities - Outside	\$ 2,000
Computer Equipment	\$ 100,000
Deductible is \$250	

NOTE K: **SUBSEQUENT EVENTS**

On August 21, 2000, the name of Eastgate Development and Transportation Agency (EDATA) was changed to Eastgate Regional Council of Governments (EASTGATE) by the Board of Directors. Necessary paperwork for the name change has been filed with the Secretary of the State of Ohio and other governmental agencies.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

PROGRAM	Period		CFDA Number	Grant or Program Number	Receipts	Expenditures
	From	To				
<u>U.S. Department of Transportation</u>						
<u>Pass through the Ohio Department of Transportation</u>						
Federal Highway Administration						
Highway Research	07/01/99	06/30/00	20.205	9230	\$ 495,322	\$ 495,322
STP	07/01/99	06/30/00	20.205	9230	47,762	47,762
STP Carryover	07/01/99	06/30/00	20.205	9230	11,240	11,240
STP Aerial Photos	07/01/99	06/30/00	20.205	9230	52,225	52,225
ITS	10/29/99	06/30/00	20.205	8218A	63,960	63,960
CMAQ-Ozone Action	07/01/99	06/30/00	20.205	8617	44,017	44,017
Rideshare Program	07/01/99	06/30/00	20.205	9230	50,614	50,614
Changeable Message Signs	07/01/99	06/30/00	20.205	9016	52,225	52,225
Subtotal - CFDA No. 20.205					817,365	817,365
Total Ohio Department of Transportation					817,365	817,365
<u>Pass through the Western Reserve Transit Authority</u>						
- Federal Transit Administration						
Section 9						
1999 Program	07/01/99	12/31/99	20.507	5307	26,436	26,436
2000 Program	01/01/00	06/30/00	20.507	5307	19,642	19,642
Total Western Reserve Transit Authority					46,078	46,078
Total U.S. Department of Transportation					863,443	863,443
<u>U.S. Environmental Protection Agency</u>						
- Water Quality Planning	07/01/99	06/30/00	66.458	604(b)	46,558	46,558
Total U.S. Environmental Protection Agency					46,558	46,558
<u>U.S. Department of Defense</u>						
<u>Pass Through the Mahoning Valley</u>						
<u>Economic Development Corporation</u>						
1999 Program	11/01/98	10/31/99	12.002	SCAP99-1	9,271	9,271
2000 Program	11/01/99	10/31/00	12.002	SCAP00-1	22,342	22,342
Total U.S. Department of Defense					31,613	31,613
<u>U.S. Department of Commerce</u>						
<u>Pass Through the State and Urban</u>						
<u>Area Economic Development</u>						
Planning Program	07/01/99	06/30/00	11.303	06-05-11105-99	53,000	53,000
Total U.S. Department of Commerce					53,000	53,000
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ 994,614	\$ 994,614

The notes to the financial statements are an integral part of these statements.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2000

NOTE 1: **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of EDATA's federal awards programs. The schedule has been prepared on the accrual basis of accounting.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Eastgate Development and
Transportation Agency
Youngstown, Ohio

We have audited the financial statements of Eastgate Development and Transportation Agency (EDATA), Ohio, as of and for the year ended June 30, 2000, and have issued our report thereon dated December 28, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Eastgate Development and Transportation Agency, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Eastgate Development and Transportation Agency, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Eastgate Development and Transportation Agency, the Auditor of State, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 28, 2000

James G. Zupka
Certified Public Accountant

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Eastgate Development and
Transportation Agency
Youngstown, Ohio

Compliance

We have audited the compliance of the Eastgate Development and Transportation Agency (EDATA), Ohio, with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The Eastgate Development and Transportation Agency, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Eastgate Development and Transportation Agency, Ohio's management. Our responsibility is to express an opinion on the Eastgate Development and Transportation Agency, Ohio's compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Eastgate Development and Transportation Agency, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Eastgate Development and Transportation Agency, Ohio's compliance with those requirements.

In our opinion, the Eastgate Development and Transportation Agency, Ohio, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the Eastgate Development and Transportation Agency, Ohio, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Eastgate Development and Transportation Agency, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matter involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Eastgate Development and Transportation Agency, Ohio, the Auditor of the State of Ohio, the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 28, 2000

James G. Zupka
Certified Public Accountant

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 SCHEDULE OF FRINGE BENEFITS AND
 COMPUTATION OF FRINGE BENEFIT RATES
 FOR THE YEAR ENDED JUNE 30, 2000

Fringe Benefits		
Sick, Vacation and Holiday Pay		\$ 111,546
Hospitalization and Life Insurance		94,455
PERS		93,158
Worker's Compensation, Unemployment & Medicare		8,978

TOTAL FRINGE BENEFIT COSTS (A)		\$ 308,137
		=====
Direct and Administrative Salaries		
Direct Salaries		\$ 499,692
Indirect Salaries - Administrative		80,320

TOTAL DIRECT AND ADMINISTRATIVE SALARIES (B)		\$ 580,012
		=====
FRINGE BENEFIT RATE (A/B)		53.13%
		=====

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
SCHEDULE OF INDIRECT COSTS AND
COMPUTATION OF INDIRECT COST RATES
FOR THE YEAR ENDED JUNE 30, 2000

Indirect Costs	
Administrative and Fiscal Management	\$ 80,320
Fringe Benefits - \$80,320 x 53.13%	42,674
Postage	801
Travel Conference and Meetings	8,608
Telephone	11,760
Machine Rental and Maintenance	4,610
Duplication and Printing	6,657
Office Supplies	2,394
Depreciation	4,042
Occupancy	55,308
Insurance	1,599
Legal and Audit	22,061
Computer Updates	13,767
Miscellaneous	1,276
	<hr/>
TOTAL INDIRECT COSTS (A)	\$ 255,877
	<hr/> <hr/>
 *DIRECT SALARIES (B)	 \$ 474,067
	<hr/> <hr/>
 INDIRECT COST RATE (A/B)	 53.97%
	<hr/> <hr/>

*Direct Salaries exclude MVEDC programs for indirect cost computation.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 FHWA/ODOT GRANT
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
FHWA Grant Funds	\$ 471,322
ODOT Grant Funds	58,915
Local Match	58,915
Total Revenue	<u>589,152</u>
Expenditures:	
Direct Salaries	250,592
Direct Expenditures	42,449
Fringe Benefits	133,140
Indirect Costs	135,245
Total Expenditures	<u>561,426</u>
Revenue Over/(Under) Expenditures	\$ 27,726 =====
Grant Funds Received	\$ 530,237
90% of Total Expenditures	<u>505,283</u>
Amount in Excess of 90%	\$ 24,954 =====

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 FHWA/ODOT CARRYOVER
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
FHWA Grant Funds	\$ 24,000
ODOT Grant Funds	3,000
Local Match	3,000
Total Revenue	<u>30,000</u>
Expenditures:	
Direct Salaries	13,508
Direct Expenditures	0
Fringe Benefits	7,177
Indirect Costs	7,290
Total Expenditures	<u>27,975</u>
Revenue Over/(Under) Expenditures	\$ 2,025 =====
Grant Funds Received	\$ 27,000
90% of Total Expenditures	25,178
Amount in Excess of 90%	\$ 1,822 =====

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT STP - TRC SOFTMATCH
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 47,762
Local Match	11,941
Total Revenue	<u>59,703</u>
Expenditures:	
Direct Salaries	25,829
Direct Expenditures	1,979
Fringe Benefits	13,723
Indirect Costs	13,940
Total Expenditures	<u>55,471</u>
Revenue Over/(Under) Expenditures	\$ 4,232 =====
Grant Funds Received	\$ 53,733
90% of Total Expenditures	49,924
Amount in Excess of 90%	\$ 3,809 =====

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT STP - TRC SOFTMATCH CARRYOVER
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 11,240
Local Match	2,810
Total Revenue	14,050
Expenditures:	
Direct Salaries	6,568
Direct Expenditures	0
Fringe Benefits	3,490
Indirect Costs	3,545
Total Expenditures	13,603
Revenue Over/(Under) Expenditures	\$ 447
Grant Funds Received	\$ 12,645
90% of Total Expenditures	12,243
Amount in Excess of 90%	\$ 402

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT STP - RIDESHARE
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 50,614
Local Match	5,624
Total Revenue	56,238
Expenditures:	
Direct Salaries	20,138
Direct Expenditures	10,686
Fringe Benefits	10,699
Indirect Costs	10,868
Total Expenditures	52,391
Revenue Over/(Under) Expenditures	\$ 3,847
Grant Funds Received	\$ 50,614
80% of Total Expenditures	47,152
Amount in Excess of 80%	\$ 3,462

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT - INTELLIGENT TRANSPORTATION SYSTEM (ITS)
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 63,960
ODOT Match	15,990
Local Match	0
Total Revenue	<u>79,950</u>
Expenditures:	
Direct Salaries	0
Direct Expenditures	80,005
Fringe Benefits	0
Indirect Costs	0
Total Expenditures	<u>80,005</u>
Revenue Over/(Under) Expenditures	<u>\$ (55)</u>
Grant Funds Received	\$ 63,960
80% of Total Expenditures	<u>64,004</u>
Amount in Excess of 80%	<u>\$ (44)</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT - CMAQ OZONE ACTION PROGRAM
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 44,017
Local Match	0
Total Revenue	44,017
Expenditures:	
Direct Salaries	1,522
Direct Expenditures	40,574
Fringe Benefits	809
Indirect Costs	821
Total Expenditures	43,726
Revenue Over/(Under) Expenditures	\$ 291
Grant Funds Received	\$ 44,017
100% of Total Expenditures	43,726
Amount in Excess of 100%	\$ 291

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT - STP AERIAL PHOTOS
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 52,225
Local Match	0
Total Revenue	52,225
Expenditures:	
Direct Salaries	0
Direct Expenditures	52,225
Fringe Benefits	0
Indirect Costs	0
Total Expenditures	52,225
Revenue Over/(Under) Expenditures	\$ 0
Grant Funds Received	\$ 52,225
100% of Total Expenditures	52,225
Amount in Excess of 100%	\$ 0

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 ODOT - SOLAR POWERED MESSAGE BOARDS - CHANGEABLE
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 92,180
Local Match	0
Total Revenue	<u>92,180</u>
Expenditures:	
Direct Salaries	0
Direct Expenditures	92,180
Fringe Benefits	0
Indirect Costs	0
Total Expenditures	<u>92,180</u>
Revenue Over/(Under) Expenditures	<u>\$ 0</u>
Grant Funds Received	\$ 92,180
100% of Total Expenditures	<u>92,180</u>
Amount in Excess of 100%	<u>\$ 0</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 FTA SECTION 9
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	ACTUAL (7/1/99 - 12/31/99)
Revenue:	
Grant Funds	\$ 26,436
Local Match	6,609
Total Revenue	33,045
Expenditures:	
Direct Salaries	14,600
Direct Expenditures	256
Fringe Benefits	7,757
Indirect Costs	7,880
Total Expenditures	30,493
Revenue Over/(Under) Expenditures	\$ 2,552
Grant Funds Received	\$ 26,436
80% of Total Expenditures	24,394
Amount in Excess of 80%	\$ 2,042

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
 FTA SECTION 9
 STATEMENT OF REVENUE AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u> <u>(1/1/00-</u> <u>6/30/00)</u>
Revenue:	
Grant Funds	\$ 19,642
Local Match	4,911
Total Revenue	<u>24,553</u>
 Expenditures:	
Direct Salaries	10,681
Direct Expenditures	393
Fringe Benefits	5,675
Indirect Costs	5,765
Total Expenditures	<u>22,514</u>
 Revenue Over/(Under) Expenditures	 \$ 2,039 <u>=====</u>
 Grant Funds Received	 \$ 19,642
80% of Total Expenditures	18,011
	<u>-----</u>
 Amount in Excess of 80%	 \$ 1,631 <u>=====</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instruction by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
EPA - WATER QUALITY PLANNING - 604(B)
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 46,558
Local Match	15,519
Total Revenue	62,077
Expenditures:	
Element #1200.01	
Direct Salaries	3,196
Direct Expenditures	219
Fringe Benefits	1,698
Indirect Costs	1,725
Total Expenditures Element #1200.01	6,838
Element #1200.02	
Direct Salaries	2,798
Direct Expenditures	30
Fringe Benefits	1,487
Indirect Costs	1,510
Total Expenditures Element #1200.02	5,825
Element #1200.03	
Direct Salaries	17,763
Direct Expenditures	4,210
Fringe Benefits	9,437
Indirect Costs	9,587
Total Expenditures Element #1200.03	40,997
Total Expenditures	53,660
Revenue Over/(Under) Expenditures	\$ 8,417
Grant Funds Received	\$ 46,558
75% of Total Expenditures	40,245
Amount in Excess of 75%	\$ 6,313

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
EPA - REGIONAL ENVIRONMENTAL PLANNING - OHIO LEGISLATIVE FUNDS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 75,000
Local Match	20,403
Total Revenue	<u>95,403</u>
Expenditures:	
Element #1200.15	
Direct Salaries	44,190
Direct Expenditures	3,886
Fringe Benefits	23,478
Indirect Costs	23,849
Total Expenditures	<u>95,403</u>
Revenue Over/(Under) Expenditures	<u>\$ 0</u>
Grant Funds Received	\$ 75,000
70% of Total Expenditures	<u>66,782</u>
Amount in Excess of 70%	<u>\$ 8,218</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
U.S. DEPARTMENT OF DEFENSE -
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u> <u>(07/01/99-</u> <u>10/31/99)</u>
Revenue:	
Grant Funds	\$ 9,271
Local Match	3,090
Total Revenue	<u>12,361</u>
Expenditures:	
Direct Salaries	8,127
Direct Expenditures	1,346
Fringe Benefits	4,318
Indirect Costs	0
Total Expenditures	<u>13,791</u>
Revenue Over/(Under) Expenditures	<u>\$ (1,430)</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 0.0% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 0.0% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
U.S. DEPARTMENT OF DEFENSE -
PROCUREMENT TECHNICAL ASSISTANCE FOR BUSINESS FIRMS
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

	ACTUAL (11/1/99- 6/30/00)
Revenue:	
Grant Funds	\$ 22,342
Local Match	7,447
Total Revenue	29,789
Expenditures:	
Direct Salaries	17,498
Direct Expenditures	3,354
Fringe Benefits	9,297
Indirect Costs	0
Total Expenditures	30,149
Revenue Over/(Under) Expenditures	\$ (360)

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 0.0% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 0.0% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
U.S. DEPARTMENT OF COMMERCE (EDA)
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>ACTUAL</u>
Revenue:	
Grant Funds	\$ 53,000
Local Match	17,667
Total Revenue	<u>70,667</u>
Expenditures:	
Direct Salaries	30,458
Direct Expenditures	1,844
Fringe Benefits	16,182
Indirect Costs	16,438
Total Expenditures	<u>64,922</u>
Revenue Over/(Under) Expenditures	<u>\$ 5,745</u>
Grant Funds Received	\$ 53,000
75% of Total Expenditures	<u>48,692</u>
Amount in Excess of 75%	<u>\$ 4,308</u>

Note: EDATA invoiced using a fixed rate of 64.7% for Fringe Benefits and 61.5% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 53.13% for Fringe Benefits and 53.97% for Indirect Costs. The actual rates are reflected in this statement, but adjustments to the financial statements were not made per instructions by EDATA Oversight Agency.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
STATUS OF PRIOR AUDITOR'S REPORTABLE CONDITIONS
AND RECOMMENDATIONS
JUNE 30, 2000

The prior audit report for the period ending June 30, 1999 included no citations and no management comment recommendations to management.

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
JUNE 30, 2000

1. **SUMMARY OF AUDITOR'S RESULTS**

2000(i)	Type of Financial Statement Opinion	Unqualified
2000(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
2000(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
2000(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
2000(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
2000(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
2000(v)	Type of Major Programs' Compliance Opinion	Unqualified
2000(vi)	Are there any reportable findings under &.510?	No
2000(vii)	Major Programs (list):	Highway Research Planning and Construction
2000(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$ 300,000 Type B: < \$300,000
2000(ix)	Low Risk Auditee?	Yes

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 & .505
(CONTINUED)
JUNE 30, 2000

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

None.

3. **FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

EASTGATE DEVELOPMENT AND TRANSPORTATION AGENCY

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 10, 2001**