



OHIO AUDITOR OF STATE  
**KEITH FABER**





**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2020 AND 2019**

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**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
DECEMBER 31, 2020 AND 2019**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Transportation Improvement District  
Belmont County  
101 N. Market Street, Suite J  
St. Clairsville, Ohio 43950

To the Board of Directors:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Transportation Improvement District, Belmont County, Ohio (the District), a component unit of Belmont County, Ohio, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of December 31, 2020 and 2019, and the respective changes in financial position thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 8 to the financial statements, during 2020, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 6, 2021

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

The management's discussion and analysis of the Transportation Improvement District, Belmont County (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- The total net position reported by the District increased \$743,662 from \$509,500 to \$1,253,162.
- Program specific revenues accounted for \$1,588 and general revenues accounted for \$750,835 for 2020.
- The District had \$8,761 in expenses related to governmental activities. These expenses were partially offset by program specific revenues (capital grants and contributions) of \$1,588.
- The District major governmental funds are the general fund and the roadwork development grant fund. The general fund had no expenditures. The general fund's balance did not change during the year.
- The roadwork development grant fund had revenues of \$1,588 and expenditures of \$8,761 during 2020. The net decrease in fund balance for the roadwork development grant fund was \$7,173 or 1.71%.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and roadwork development grant fund are reported as major funds.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of net position and the statement of activities include all of the District programs and services, and can be found on pages 9-10 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 7. Fund financial statements provide detailed information about the District's major funds. The District uses two funds to account for a multitude of financial transactions. The District's major governmental funds are the general fund and the roadwork development grant fund.

*Governmental Funds*

All of the District activities are reported in governmental funds, which focus on how money flows into and out of those funds and the ending balances available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 11-14 of this report.

*Notes to the Basic Financial Statements*

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 15-22 of this report.



**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District net position at December 31, 2020 and December 31, 2019.

	<b>Net Position</b>	
	Governmental Activities <u>December 31, 2020</u>	Governmental Activities <u>December 31, 2019</u>
<u>Assets</u>		
Current and other assets	\$ 1,253,162	\$ 644,484
Total assets	<u>1,253,162</u>	<u>644,484</u>
<u>Liabilities</u>		
Current liabilities	-	134,984
Total liabilities	<u>-</u>	<u>134,984</u>
<u>Net Position</u>		
Restricted	1,164,155	420,493
Unrestricted	<u>89,007</u>	<u>89,007</u>
Total net position	<u>\$ 1,253,162</u>	<u>\$ 509,500</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the District assets exceeded liabilities by \$1,253,162.

At December 31, 2020, \$1,164,155 of District net position represents resources that are subject to external restriction on how they may be used.

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**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The table below provides a summary of the District changes in net position for 2020 and 2019.

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues:		
Capital grants and contributions	\$ 1,588	\$ 137,605
Total program revenues	<u>1,588</u>	<u>137,605</u>
General revenues:		
Refunds	<u>750,835</u>	<u>-</u>
Total general revenues	<u>750,835</u>	<u>-</u>
Program expenses:		
Public works	<u>8,761</u>	<u>263,952</u>
Total program expenses	<u>8,761</u>	<u>263,952</u>
Change in net position	743,662	(126,347)
Net position at beginning of year	<u>509,500</u>	<u>635,847</u>
Net position at end of year	<u>\$ 1,253,162</u>	<u>\$ 509,500</u>

The District is primarily funded by contributions from the Belmont County Commissioners and State grants.

The District was notified by the Ohio Department of Transportation (ODOT) that it would receive a refund because the Commons Mall Crossing road project was completed under the bid amount. ODOT estimates that the refund will amount to \$750,835. This amount is recorded as a general revenue on the statement of activities.

The most significant program expenses for the District are related to public works. These expenses totaled \$8,761 during the year.

The statement of activities shows the cost of program services and the grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2020 and 2019. That is, it identifies the cost of these services supported by general revenues.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
<b>Program expenses:</b>				
Public works	\$ 8,761	\$ 7,173	\$ 263,952	\$ 126,347
Total	<u>\$ 8,761</u>	<u>\$ 7,173</u>	<u>\$ 263,952</u>	<u>\$ 126,347</u>

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**Governmental Funds**

The focus of the District governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District financing requirements.

The District governmental funds reported a combined fund balance of \$502,327, which is \$7,173 less than last year's total of \$509,500. The table below indicates the fund balances and the total change in fund balances as of December 31, 2020 and December 31, 2019 for the governmental funds.

	Fund Balances December 31, 2020	Fund Balances December 31, 2019	Change	Percentage Change
<b>Major funds:</b>				
General	\$ 89,007	\$ 89,007	\$ -	- %
Roadwork Development Grant	<u>413,320</u>	<u>420,493</u>	<u>(7,173)</u>	(1.71) %
Total	<u>\$ 502,327</u>	<u>\$ 509,500</u>	<u>\$ (7,173)</u>	(1.41) %

The roadwork development grant fund received interest revenue of \$1,588 during the year. This revenue source were not adequate to provide for the roadwork development grant fund expenditures of \$8,761 incurred during the year.

**Economic Conditions and Current Issues**

The year ending December 31, 2020 was the 12<sup>th</sup> full year of operations. The District continued on its mission to improve the prosperity, health, safety, and welfare of the people of Belmont County and the State of Ohio.

The District board saw the Commons Mall Crossing Road project completed, although not officially finalized by Ohio Department of Transportation (ODOT). The board oversaw the project, which included a new traffic signal at the intersection of Commons Mall Crossing Road and National Road. Final paving was completed in Fall 2019.

A future project for the District will be the paving of Pogue Road, Executive Drive, and a section of Roscoe Road leading to the Belmont County Fairgrounds. The project will be bid in spring 2021 with plans for completion during 2021.

**Contacting the District Financial Management**

This financial report is designed to provide citizens, taxpayers, and investors and creditors with a general overview of the District finances and to show the District accountability for the money it receives. If you have questions about this report or need additional financial information, contact, Larry E. Merry, Chairman of the Transportation Improvement District, 101 North Market Street, Suite J, St. Clairsville, Ohio 43950. E-mail [larry.merry@co.belmont.oh.us](mailto:larry.merry@co.belmont.oh.us).

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**TRANSPORTATION IMPROVEMENT DISTRICT  
 BELMONT COUNTY  
 STATEMENT OF NET POSITION  
 DECEMBER 31, 2020**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . .	\$ 502,327
Receivables:	
Due from other governments. . . . .	750,835
Total assets . . . . .	1,253,162
 <b>Net position:</b>	
Restricted for:	
Capital projects . . . . .	1,164,155
Unrestricted . . . . .	89,007
Total net position . . . . .	\$ 1,253,162

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Expenses</u>	<u>Program Revenues Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
<b>Governmental activities:</b>			
Public works . . . . .	\$ 8,761	\$ 1,588	\$ (7,173)
Total governmental activities. . . . .	<u>\$ 8,761</u>	<u>\$ 1,588</u>	<u>(7,173)</u>
 <b>General revenues:</b>			
Refunds . . . . .			<u>750,835</u>
Total general revenues. . . . .			<u>750,835</u>
Change in net position . . . . .			743,662
<b>Net position at beginning of year . . . . .</b>			<u>509,500</u>
<b>Net positon at end of year. . . . .</b>			<u>\$ 1,253,162</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2020**

	<b>General</b>	<b>Roadwork Development</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 89,007	\$ 413,320	\$ 502,327
Receivables:			
Due from other governments. . . . .	-	750,835	750,835
Total assets . . . . .	\$ 89,007	\$ 1,164,155	\$ 1,253,162
<b>Deferred inflows of resources:</b>			
Refund revenue not available. . . . .	\$ -	\$ 750,835	\$ 750,835
Total deferred inflows of resources . . . . .	-	750,835	750,835
<b>Fund balances:</b>			
Restricted for capital projects. . . . .	-	413,320	413,320
Unassigned . . . . .	89,007	-	89,007
Total fund balances. . . . .	89,007	413,320	502,327
Total liabilities and fund balances . . . . .	\$ 89,007	\$ 1,164,155	\$ 1,253,162

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT**  
**BELMONT COUNTY**  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2020

<b>Total governmental fund balances</b>	\$ 502,327
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Intergovernmental revenues receivable	<u>750,835</u>
<b>Net position of governmental activities</b>	<u><u>\$ 1,253,162</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<b>General</b>	<b>Roadwork Development</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Investment income . . . . .	\$ -	\$ 1,588	\$ 1,588
Total revenues . . . . .	-	1,588	1,588
<b>Expenditures:</b>			
Public works . . . . .	-	8,761	8,761
Total expenditures . . . . .	-	8,761	8,761
Net change in fund balances . . . . .	-	(7,173)	(7,173)
<b>Fund balances at beginning of year . . . . .</b>	89,007	420,493	509,500
<b>Fund balances at end of year . . . . .</b>	<b>\$ 89,007</b>	<b>\$ 413,320</b>	<b>\$ 502,327</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2020

<b>Net change in fund balances - total governmental funds</b>	\$	(7,173)
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Intergovernmental refund		750,835
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>743,662</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Transportation Improvement District, Belmont County (the District), is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Belmont County on December 19, 2007.

The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners of Belmont County. The Board of Directors also includes one (1) ex-officio member appointed by the President of the Ohio Senate and one (1) ex-officio member appointed by the Speaker of the Ohio House of Representatives.

The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Belmont County's Comprehensive Annual Financial Report, as defined by the provisions of GASB Statement Nos. 14, 39 and 61. The District's management believes these financial statements represent all activities for which the District is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-Wide Financial Statements*** The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Basis of Presentation (Continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

*Fund Financial Statements* During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column; however, the District did not have any nonmajor funds in 2020 since all funds were considered as major.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There is one category of funds: Governmental.

*Governmental Funds* Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental funds' assets plus deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

*General Fund* - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Roadwork Development Grant Fund* - The Roadwork Development Grant Fund is used to account for grant monies for the design, upgrade, and/or construction of public roadways.

**C. Measurement Focus**

*Government-Wide Financial Statements* The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus (Continued)**

*Fund Financial Statements* All governmental funds are accounted for using a *flow of current financial resources* measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

*Revenues - Exchange and Non-Exchange Transactions* Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: grants and entitlements.

*Deferred Outflows/Inflows of Resources* In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

*Expenses/Expenditures* On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

**F. Capital Assets**

The District reports no capital assets.

**G. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**H. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

**1. Nonspendable**

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fund Balance (Continued)**

**2. Restricted**

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

**4. Assigned**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Directors.

**5. Unassigned**

The unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

**I. Net Position**

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

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Monies held by the District are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the District treasury.

Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Monies held by the District, which are not considered active, are classified as inactive. Monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, 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, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any 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, and Government National Mortgage 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 market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value; and,



**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

9. Up to forty percent of the District's average portfolio in either of the following:
- a. Commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase; and,
  - b. Bankers acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Other than corporate notes, commercial paper, and bankers acceptances, except as noted above, an investment must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they will be held to 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At December 31, 2020, the carrying amount of all District deposits was \$502,327. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2020, \$252,327 of the District's bank balance of \$502,327 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District's financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**NOTE 4 - RISK MANAGEMENT**

The District has obtained commercial insurance coverage for general liability and vehicles.

**NOTE 5 - CONTINGENCIES**

**Grants** - Amounts grantor agencies pay to the District are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 6 - CONTRACTUAL COMMITMENTS**

As of December 31, 2020, the District had a contractual commitment with the Ohio Department of Transportation (ODOT) for the State Route 149 project in the amount of \$15,000.

**NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2020, the District has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the District has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the District has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

**NOTE 8 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 9 – SUBSEQUENT EVENT**

On June 17, 2021, the Belmont County Transportation Board of Directors certified and committed funds in the amount of \$1,106,523 for the Pogue Road Reconstruction Project.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

The management's discussion and analysis of the Transportation Improvement District, Belmont County (the "District") financial performance provides an overall review of the District's financial activities for the year ended December 31, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2019 are as follows:

- The total net position reported by the District decreased \$126,347 from \$635,847 to \$509,500.
- Program specific revenues accounted for \$137,605 and there were no general revenues for 2019.
- The District had \$263,952 in expenses related to governmental activities. These expenses were partially offset by program specific revenues (capital grants and contributions) of \$137,605.
- The District major governmental funds are the general fund and the roadwork development grant fund. The general fund had no expenditures. The general fund's balance did not change during the year.
- The roadwork development grant fund had revenues of \$137,605 and expenditures of \$263,952 during 2019. The net decrease in fund balance for the roadwork development grant fund was \$126,347 or 23.10%.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and roadwork development grant fund are reported as major funds.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District do financially during 2019?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of net position and the statement of activities include all of the District programs and services, and can be found on pages 29-30 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 26. Fund financial statements provide detailed information about the District's major funds. The District uses two funds to account for a multitude of financial transactions. The District's major governmental funds are the general fund and the roadwork development grant fund.

*Governmental Funds*

All of the District activities are reported in governmental funds, which focus on how money flows into and out of those funds and the ending balances available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 31-32 of this report.

*Notes to the Basic Financial Statements*

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 33-40 of this report.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**Government-Wide Financial Analysis**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District net position at December 31, 2019 and December 31, 2018.

	<b>Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<u>Assets</u>		
Current and other assets	\$ 644,484	\$ 635,847
Total assets	<u>644,484</u>	<u>635,847</u>
<u>Liabilities</u>		
Current liabilities	<u>134,984</u>	<u>-</u>
Total liabilities	<u>134,984</u>	<u>-</u>
<u>Net Position</u>		
Restricted	420,493	546,840
Unrestricted	<u>89,007</u>	<u>89,007</u>
Total net position	<u>\$ 509,500</u>	<u>\$ 635,847</u>

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2019, the District assets exceeded liabilities by \$509,500.

At December 31, 2019, \$420,493 of District net position represents resources that are subject to external restriction on how they may be used.

The table below provides a summary of the District changes in net position for 2019 and 2018.

	<b>Change in Net Position</b>	
	Governmental Activities	Governmental Activities
	<u>2019</u>	<u>2018</u>
Revenues:		
Program revenues:		
Capital grants and contributions	\$ 137,605	\$ 3,202
Total program revenues	<u>137,605</u>	<u>3,202</u>
Program expenses:		
Public works	<u>263,952</u>	<u>12,206</u>
Total program expenses	<u>263,952</u>	<u>12,206</u>
Change in net position	(126,347)	(9,004)
Net position at beginning of year	<u>635,847</u>	<u>644,851</u>
Net position at end of year	<u>\$ 509,500</u>	<u>\$ 635,847</u>

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

The District is primarily funded by contributions from the Belmont County Commissioners and State grants.

The most significant program expenses for the District are related to public works. These expenses totaled \$263,952 during the year.

The statement of activities shows the cost of program services and the grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2019 and 2018. That is, it identifies the cost of these services supported by general revenues.

	<b>Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
<b>Program expenses:</b>				
Public works	\$ 263,952	\$ 126,347	\$ 12,206	\$ 9,004
<b>Total</b>	<u>\$ 263,952</u>	<u>\$ 126,347</u>	<u>\$ 12,206</u>	<u>\$ 9,004</u>

**Governmental Funds**

The focus of the District governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District financing requirements.

The District governmental funds reported a combined fund balance of \$509,500, which is \$126,347 less than last year's total of \$635,847. The table below indicates the fund balances and the total change in fund balances as of December 31, 2019 and December 31, 2018 for the governmental funds.

	Fund Balances	Fund Balances	Change	Percentage Change
	<u>December 31, 2019</u>	<u>December 31, 2018</u>		
<b>Major funds:</b>				
General	\$ 89,007	\$ 89,007	\$ -	- %
Roadwork Development Grant	<u>420,493</u>	<u>546,840</u>	<u>(126,347)</u>	(23.10) %
<b>Total</b>	<u>\$ 509,500</u>	<u>\$ 635,847</u>	<u>\$ (126,347)</u>	(19.87) %

The roadwork development grant fund received revenue of \$137,605 during the year. These revenue sources were not adequate to provide for the roadwork development grant fund expenditures of \$263,952 incurred during the year.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Economic Conditions and Current Issues**

The year ending December 31, 2019 was the 11<sup>th</sup> full year of operations. The District continued on its mission to improve the prosperity, health, safety, and welfare of the people of Belmont County and the State of Ohio.

The District board saw the Commons Mall Crossing Road project completed, although not officially finalized by Ohio Department of Transportation (ODOT). The board oversaw the project, which included a new traffic signal at the intersection of Commons Mall Crossing Road and National Road. Final paving was completed in Fall 2019.

The District board also oversaw and completed a culvert replacement project on Oakview Road.

A tentative future project for the District will be the paving of Pogue Road, Executive Drive, and a section of Roscoe Road leading to the Belmont County Fairgrounds.

**Contacting the District Financial Management**

This financial report is designed to provide citizens, taxpayers, and investors and creditors with a general overview of the District finances and to show the District accountability for the money it receives. If you have questions about this report or need additional financial information, contact, Larry E. Merry, Chairman of the Transportation Improvement District, 101 North Market Street, Suite J, St. Clairsville, Ohio 43950. E-mail [larry.merry@co.belmont.oh.us](mailto:larry.merry@co.belmont.oh.us).

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**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . .	\$ 509,500
Receivables:	
Due from other governments. . . . .	134,984
Total assets . . . . .	644,484
 <b>Liabilities:</b>	
Due to other governments . . . . .	134,984
Total liabilities . . . . .	134,984
 <b>Net position:</b>	
Restricted for:	
Capital projects . . . . .	420,493
Unrestricted . . . . .	89,007
Total net position . . . . .	\$ 509,500

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Expenses</u>	<u>Program Revenues Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
<b>Governmental activities:</b>			
Public works . . . . .	\$ 263,952	\$ 137,605	\$ (126,347)
Total governmental activities. . . . .	<u>\$ 263,952</u>	<u>\$ 137,605</u>	<u>(126,347)</u>
			<u>635,847</u>
			<u>\$ 509,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	<u>General</u>	<u>Roadwork Development</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 89,007	\$ 420,493	\$ 509,500
Receivables:			
Due from other governments. . . . .	-	134,984	134,984
Total assets . . . . .	<u>\$ 89,007</u>	<u>\$ 555,477</u>	<u>\$ 644,484</u>
<b>Liabilities:</b>			
Due to other governments . . . . .	\$ -	\$ 134,984	\$ 134,984
Total liabilities . . . . .	<u>-</u>	<u>134,984</u>	<u>134,984</u>
<b>Fund balances:</b>			
Restricted for capital projects. . . . .	-	420,493	420,493
Unassigned . . . . .	89,007	-	89,007
Total fund balances. . . . .	<u>89,007</u>	<u>420,493</u>	<u>509,500</u>
Total liabilities and fund balances . . . . .	<u>\$ 89,007</u>	<u>\$ 555,477</u>	<u>\$ 644,484</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY**  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>General</u>	<u>Roadwork Development</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Intergovernmental . . . . .	\$ -	\$ 134,984	\$ 134,984
Investment income . . . . .	-	2,621	2,621
Total revenues . . . . .	<u>-</u>	<u>137,605</u>	<u>137,605</u>
<b>Expenditures:</b>			
Public works . . . . .	-	263,952	263,952
Total expenditures . . . . .	<u>-</u>	<u>263,952</u>	<u>263,952</u>
Net change in fund balances . . . . .	-	(126,347)	(126,347)
<b>Fund balances at beginning of year . . . . .</b>	<u>89,007</u>	<u>546,840</u>	<u>635,847</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 89,007</u>	<u>\$ 420,493</u>	<u>\$ 509,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

The Transportation Improvement District, Belmont County (the District), is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Belmont County on December 19, 2007.

The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners of Belmont County. The Board of Directors also includes one (1) ex-officio member appointed by the President of the Ohio Senate and one (1) ex-officio member appointed by the Speaker of the Ohio House of Representatives.

The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Belmont County's Comprehensive Annual Financial Report, as defined by the provisions of GASB Statement Nos. 14, 39 and 61. The District's management believes these financial statements represent all activities for which the District is financially accountable.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

*Government-wide Financial Statements* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Basis of Presentation (Continued)**

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements** During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column; however, the District did not have any nonmajor funds in 2019 since all funds were considered as major.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There is one category of funds: Governmental.

**Governmental Funds** Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental funds' assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

*General Fund* - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Roadwork Development Grant Fund* - The Roadwork Development Grant Fund is used to account for grant monies for the design, upgrade, and/or construction of public roadways.

**C. Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the *economic resources* measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus (Continued)**

**Fund Financial Statements** All governmental funds are accounted for using a *flow of current financial resources* measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and inflows of resources, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Non-Exchange Transactions** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: grants and entitlements.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Accounting (Continued)**

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

*Expenses/Expenditures* On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents".

**F. Capital Assets**

The District reports no capital assets.

**G. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

**H. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

**1. Nonspendable**

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.



**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Fund Balance (Continued)**

**2. Restricted**

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**3. Committed**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the use in satisfying those contractual requirements.

**4. Assigned**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Directors.

**5. Unassigned**

The unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

**I. Net Position**

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

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Monies held by the District are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the District treasury.

Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Monies held by the District, which are not considered active, are classified as inactive. Monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, 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, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any 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, and Government National Mortgage 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 market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Securities lending agreements in which the District lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

9. Up to forty percent of the District's average portfolio in either of the following:
- a. Commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
  - b. Bankers acceptances eligible for purchase by the Federal Reserve System and which mature within 180 days after purchase;

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Other than corporate notes, commercial paper, and bankers acceptances, except as noted above, an investment must mature within five years from the date of settlement unless matched to a specific obligation or debt of the District. Investments must be purchased with the expectation that they will be held to 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

At December 31, 2019, the carrying amount of all District deposits was \$509,500. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2019, \$259,500 of the District's bank balance of \$509,500 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institutions were approved for a reduced collateral rate through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 4 - RISK MANAGEMENT**

The District has obtained commercial insurance coverage for general liability and vehicles.

**NOTE 5 - CONTINGENCIES**

**Grants** - Amounts grantor agencies pay to the District are subject to audit and adjustments by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes and refunds would be immaterial.

**NOTE 6 - CONTRACTUAL COMMITMENTS**

As of December 31, 2019, the District had a contractual commitment with the Ohio Department of Transportation (ODOT) for the State Route 149 project in the amount of \$21,300. The District also had a contractual commitment with Cornerstone Electric for \$3,375.

**NOTE 7 - CHANGE IN ACCOUNTING PRINCIPLES**

For 2019, the District has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations", GASB Statement No. 84 "Fiduciary Activities", GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements" and GASB Statement No. 90 "Majority Equity Interests and an amendment of GASB Statements No. 14 and No. 61".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The implementation of GASB Statement No. 83 did not have an effect on the financial statements of the District.

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. The District has no fiduciary funds. The implementation of GASB Statement No. 84 did not have an effect on the financial statements of the District.

GASB Statement No. 88 improves the information that is disclosed in notes to the basic financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The implementation of GASB Statement No. 88 did not have an effect on the financial statements of the District.

GASB Statement No. 90 improves consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations. This Statement also provides guidance for reporting a component unit if a government acquires a 100 percent equity interest in that component unit. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

**NOTE 8 – SUBSEQUENT EVENT**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

# OHIO AUDITOR OF STATE KEITH FABER



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SoutheastRegion@ohioauditor.gov

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

Transportation Improvement District  
Belmont County  
101 N. Market Street, Suite J  
St. Clairsville, Ohio 43950

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Transportation Improvement District, Belmont County, Ohio (the District), a component unit of Belmont County, Ohio, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 6, 2021. We noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

### ***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2020-001.

***District's Response to the Finding***

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

***Purpose of this Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

July 6, 2021

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019**

<b>FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2020-001**

**Material Weakness – Finding for Recovery – Repaid Under Audit**

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)** provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. AOS Bulletin 2004-002 provides examples of expenditures that are deemed to be for a proper public purpose. Governmental entities, without regard to their specific nature, may not expend public monies unless they are for a proper public purpose.

The District should acquire and maintain appropriate documentation to support the proper use of District funds prior to making payments. Appropriate documentation could include, but is not limited to, invoices, timesheets, mileage reimbursement forms, and other original correspondence. Maintaining organized supporting documentation for financial transactions is essential in assuring the District's financial statements are not materially misstated and that all expenditures are made for a proper public purpose.

During the Period examined, September 1, 2016 through December 31, 2018, the Belmont Transportation Improvement District's fiscal officer, Cory Clark, was responsible for preparing disbursements, obtaining Belmont County Transportation Improvement District Board (Board) approval and authorized signatures, and maintaining support for expenditures. Mr. Clark received 31 payments totaling \$8,781 during the period. Of the 31 payments:

- Two appear to have been altered by Mr. Clark and a total of \$300 was added to the amounts already approved by the Board;
- One totaling \$329 was approved as a vendor payment by the Board; however, the check was made payable to Mr. Clark; and,
- Nine totaling \$2,864 had the signature of the former board member forged by Mr. Clark.
- 17 totaling \$4,546 did not include documentation supporting the hours worked or project/item worked on. Therefore, we were unable to determine whether the payment was for the purposes of the Belmont County Transportation Improvement District. Of the 17 payments without proper supporting documentation, six were not approved at the Board meetings and the checks were only signed by Mr. Clark; four were not approved at the Board meetings and the checks were signed by Mr. Clark and the Vice Chairman of the Board, Matt Coffland; and seven were approved by the Board at the Board meetings without proper supporting documentation.

On November 30, 2020, Mr. Clark pled guilty to one count of theft in office, a felony of the fourth degree, in violation of Ohio Rev. Code § 2921.41, and one count of forgery, a felony of the fifth degree, in violation of Ohio Rev. Code § 2913.31, in Belmont County Common Pleas Court, Case No. 20-CR-0164. On February 22, 2021, Judge Fregiato sentenced Mr. Clark to three years community control and ordered him to pay \$5,297.02 in restitution, which included special audit costs, within 90 days.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public property converted or misappropriated in the amount of \$5,297 and a finding for recovery for public money illegally expended in the amount of \$4,546, is hereby issued against Cory Clark totaling \$9,843 and in favor of the Belmont County Transportation Improvement District's General Fund. As of July 8, 2021, full restitution of \$9,843 has been made to the Belmont County Transportation Improvement District's General Fund.

**TRANSPORTATION IMPROVEMENT DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019  
(Continued)**

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

**FINDING NUMBER 2020-001 (Continued)**

**Material Weakness – Finding for Recovery – Repaid Under Audit (Continued)**

**Officials' Response:**

All items related to Cory Clark, the former fiscal officer, were corrected by the termination of his services in February 2019. After members of the TID board discovered irregularities in his accounting methods, the board consulted with an independent auditor who discovered additional irregularities. Those findings were then provided to the State Auditor's office.

All bank statements are reconciled promptly and provided to the board at meetings. No payments are made without invoices.





## Belmont County Transportation Improvement District

*c/o Belmont County Port Authority  
 101 N. Market Street, Suite J  
 St. Clairsville, Ohio 43950  
 740-695-4397*

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FYE December 31, 2018 and 2017

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2018-001	Fiscal Officer issues	Fully Corrected	
2018-002	Bank Reconcilements	Fully Corrected	
2018-003	Segregation of Duties	Fully Corrected	

*Board Members: Larry Merry, J.P. Dutton, Terry Lively, Jim Zucal, Jim Graham*

# OHIO AUDITOR OF STATE KEITH FABER



**BELMONT COUNTY TRANSPORTATION IMPROVEMENT DISTRICT**

**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 7/22/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)