EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
MAHONING COUNTY

SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Eastgate Regional Council of Governments
100 East Federal Street, Suite 1000
Youngstown, Ohio 44503

We have reviewed the *Independent Auditor's Report* of the Eastgate Regional Council of Governments, Mahoning County, prepared by Canter & Associates, for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 25, 2024

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EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
Mahoning County

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INDEPENDENT AUDITOR'S REPORT

Eastgate Regional Council of Governments
Mahoning County
City Center One Building
100 East Federal Street, Suite 1000
Youngstown, Ohio 44503

To the Board of Directors:

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Eastgate Regional Council of Governments (Council), Mahoning County, Youngstown, Ohio as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, of Eastgate Regional Council of Governments (Council), Mahoning County, Youngstown, Ohio, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension and postemployment benefit liabilities and pension and postemployment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context.

We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eastgate Regional Council of Government's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedules of fringe benefits and computation of fringe benefits rates, indirect costs and computation of indirect cost rates, and revenues and expenditures for ODOT, U.S. Department of Commerce, EPA and Appalachian Regional Development but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the Council'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 Council's internal control over financial reporting and compliance.

Canter & Assoc

CANTER & ASSOCIATES

Poland, Ohio
March 26, 2024

The discussion and analysis of Eastgate Regional Council of Governments (Eastgate) financial performance provides an overall review of Eastgate's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at Eastgate's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements, themselves to enhance their understanding of Eastgate's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

Overall:

- For business-type activities, net position decreased $602,977 to $3,412,840 from fiscal year 2022.

- Eastgate had $4,822,224 in expenses related to business-type activities and $340,898 of these expenses were offset by operating revenues and $3,878,349 by non-operating revenues.

- The business-type activities revenue decreased $147,378 or 3% to $4,219,247.

Using this financial 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 Eastgate Regional Council of Governments 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* presents information on all Eastgate's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of Eastgate's financial position.

The *Statement of Revenues, Expenses, and Changes in Fund Net Position* presents information showing how Eastgate's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

Reporting Eastgate as a Whole

Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position

While this document contains the fund used by Eastgate to provide its programs, the view of Eastgate as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position answers this question. These statements include *all assets, deferred outflows of resources, liabilities* and *deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report Eastgate's *net position* and changes in that position. This change in net position is important because it tells the reader that, for Eastgate as a whole, the *financial position* of Eastgate has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the continued availability of grants, at the federal, state and local levels.

In the statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net position, Eastgate is presented as one activity, business-type.

- Business-type activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided.

Reporting Eastgate's Fund

Fund Financial Statements

Eastgate has only one fund; therefore, additional fund level statements are not presented.

Eastgate as a Whole

Business-type activities

Table 1 shows net position for fiscal years 2023 and 2022 for comparison purposes.

Table 1

Business-Type Activities

	2023	2022
Assets		
Current and Other Assets	$ 7,489,952	$ 7,789,706
Capital Assets	430,630	502,372
Total Assets	$ 7,920,582	$ 8,292,078
Deferred Outflows of Resources		
Pension	1,110,909	1,085,122
OPEB	188,486	124,537
Total Deferred Outflows of Resources	$ 1,299,395	$ 1,209,659
Liabilities		
Long-term Liabilities		
Net Pension Liabilitiy	$ 2,339,276	$ 656,359
Other Amounts	606,116	699,418
Other Liabilities	2,539,533	2,099,238
Total Liabilities	$ 5,484,925	$ 3,455,015
Deferred Inflows of Resources		
Pension	264,301	1,660,004
OPEB	57,911	370,901
Total Deferred Outflows of Resources	$ 322,212	$ 2,030,905
Net Position		
Net Investment in Capital Assets	$ 88,929	$ 50,594
Restricted	2,137,921	$ 1,030,613
Unrestricted Net Position	1,185,990	2,934,610
Total Net Position	$ 3,412,840	$ 4,015,817

Total assets decreased 4% in fiscal year 2023. The decrease occurred mainly due to a decrease in cash and capital assets. The decrease in cash and cash equivalents is due to the Warren Holdings settlement received during the previous fiscal year.

What are Eastgate's Revenue Sources? Eastgate receives much of its revenue from operating grants. Sources of these grants are federal, state and local. Eastgate has multiple functions, with the major being transportation planning, and all revenue is used to support its mission.

Table 2
Business-Type Activities

	2023	2022
OPERATING REVENUE		
Membership Dues	$ 229,877	$ 216,989
Charges for Services	111,021	135,720
Total Operating Revenue	340,898	352,709
OPERATING EXPENSES		
Salaries & Benefits	1,468,772	1,202,385
Other Expenses	3,052,675	3,290,500
Depreciation/Amortization	134,885	93,392
Unallocated Pension & OPEB Expense	165,892	(497,900)
Total Operating Expenses	4,822,224	4,088,377
Operating Income (Loss)	(4,481,326)	(3,735,668)
NON-OPERATING REVENUE		
Intergovernmental	3,793,051	3,994,480
Other Non-Operating Revenues	9,393	1,458
Interest Income	75,905	17,978
Total Non-Operating Revenue	3,878,349	4,013,916
Changes in Net Position	(602,977)	278,248
Net Position (Deficit) Beginning of Year	4,015,817	3,737,569
Net Position End of Year	$ 3,412,840	$ 4,015,817

Table 2 shows the change in net position for fiscal years 2023 and 2022 for comparison purposes.

In fiscal year 2023, revenues decreased due to decreases in federal, state and local grant revenues and also a slight decrease in charges for services. Expenditures increased from fiscal year 2023, due mostly to increases to unallocated pension and OPEB expenses.

Enterprise Fund Budgeting Highlights

Eastgate is not required to establish a budget per Ohio Revised Code.

Capital Assets and Debt Administration

At the end of the fiscal year 2023, Eastgate had $88,929 (net) invested in equipment, furniture and fixtures and intangible right to use leases.

GASB 68 Net Pension Liability and GASB 75 OPEB Liability (Asset)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or OPEB liability. In accordance with GASB 68 and GASB 75, Eastgate's statements are prepared on an accrual basis of accounting include an annual pension expense and OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Current Financial Related Activities

Eastgate receives its funding from the Federal Highway Administration, the Federal Transit Administration, the Ohio Department of Transportation, the Ohio Public Works Commission, Mahoning, Trumbull and Columbiana Counties, and numerous public entities within the counties. Grants for fiscal years 2024 and 2025 appear certain.

Contacting Eastgate's Financial Management

This financial report is designed to provide our citizens, taxpayers and grantors with a general overview of Eastgate's finances and to show Eastgate's accountability for the monies it receives. If you have questions about this report or need additional financial information contact Michele Ballone at Eastgate Regional Council of Governments, City Center One Building, 100 East Federal Street, Suite 1000, Youngstown, Ohio 44503.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS		
Cash & Cash Equivalents	$	5,280,313
Accounts Receivable		2,173,859
Prepaid Expenses		35,780
Property and Equipment (net)		430,630
Total Assets		7,920,582
DEFERRED OUTFLOWS OF RESOURCES		
Pension	$	1,110,909
OPEB		188,486
Total Deferred Outflows of Resources		1,299,395
LIABILITIES		
Accounts Payable	$	247,094
Payroll Withholding		8,536
Accrued Payroll		17,461
Payroll Liabilities		5,766
Unearned Revenue		2,260,676
Long-term Liabilities:		
Net Pension Liability		2,339,276
Net OPEB Liability		49,155
Due Within One Year		159,320
Due in more than One Year		397,641
Total Liabilities		5,484,925
DEFERRED INFLOW OF RESOURCES		
Pension	$	264,301
OPEB		57,911
Total Deferred Inflows of Resources		322,212
NET POSITION		
Net Investment in Capital Assets	$	88,929
Restricted		2,137,921
Unrestricted		1,185,990
Total Net Position	$	3,412,840

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

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

OPERATING REVENUE		
Membership Due	$	229,877
Charges for Services		111,021
Total Operating Revenue		340,898
OPERATING EXPENSES		
Salaries		804,971
Other Expenses		593,391
General Administrative and Fiscal Costs		157,390
Computer Updates		29,405
Travel		612
Telephone		5,920
Duplicating and Printing		262
Office Supplies		3,596
Occupancy		13,064
Professional Services		29,691
Miscellaneous		112
Depreciation/Amortization		134,885
USGS Pass-through		2,155,700
Paid Leave		249,889
Hospitalization		214,708
Payroll Taxes		199,204
Repairs and Maintenance		372
Lease Interest & Fiscal Charges		63,160
Unallocated Pension Expense		261,427
Unallocated OPEB Expense		(95,535)
Operating Expenses		4,822,224
Operating Income (Loss)		(4,481,326)
NON-OPERATING REVENUE		
Intergovernmental		3,793,051
Other Non-Operating Revenues		9,393
Interest Income		75,905
Total Non-Operating Revenue		3,878,349
Change in Net Position		(602,977)
Net Position Beginning of Year		4,015,817
Net Position End of Year	$	3,412,840

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

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	$ 340,898
Cash Payments to Employees for Services	(804,971)
Cash Payments to Employee Benefits	(663,801)
Cash Payments for Goods and Services	(126,224)
Other Cash Payments	(4,050,304)
Net Cash Provided by (Used in) Operating Activities	(5,304,402)
Cash Flows from Noncapital Financing Activities	
Other Non-operating revenues	9,396
Grants Received	3,793,051
Net Cash Provided by (Used by) Noncapital Financing Activities	3,802,447
Cash Flows from Investing Activities	
Capital Purchases	(63,143)
Interest on Investments	75,905
Net Cash Provided by (Used by) Investing Activities	12,762
Net Increase (Decrease) in Cash and Cash Equivalents	(1,489,193)
Cash and Cash Equivalents Beginning of Year	6,769,506
Cash and Cash Equivalents End of Year	$ 5,280,313
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	$ (4,481,326)
Adjustments:	
Depreciation/Amortization	134,885
(Increase) Decrease in Assets:	
Accounts Receivable	(1,414,449)
Prepaid Expenses	(7,239)
Deferred Outflows	(89,736)
Net OPEB Asset	232,249
Increase (Decrease) in Liabilities:	
Accounts Payable	(639,712)
Accrued Wages and Benefits	(10,142)
Compensated Absences	(32,380)
Payroll Withholding	44
Fringe Benefits	(19,126)
Unearned Revenue	1,122,940
Lease Liability	(110,080)
Deferred Inflows	(1,708,693)
Pension/OPEB Liability	1,732,072
Payroll Liabilities	(13,709)
Total Adjustments	(823,076)
Net Cash Provided by (Used in) Operating Activities	$ (5,304,402)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

General

Eastgate Regional Council of Governments (Eastgate) was established on January 1, 1973. Eastgate is a government entity created under the provisions of Chapter 167 of the Ohio Revised Code.

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

Eastgate derives its funds to support its operations from Federal and State grants, dues from local government bodies desiring membership in Eastgate, and contractual agreements between local government bodies and Eastgate for the performance of specific studies and surveys. Because Eastgate derives a majority of its revenues from dues and charges for services, which are services provided to other governments and are therefore intergovernmental revenues, these statements are shown as proprietary activities.

With respect to proprietary activities, Eastgate has adopted GASB Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Units That Use Proprietary Fund Accounting.*

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

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of Eastgate are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from Eastgate.

Component units are legally separate organizations for which Eastgate is financially accountable. Eastgate is financially accountable for an organization if they appoint a voting majority of the organization’s governing board and 1)they are able to significantly influence the programs or services performed or provided by the organization; or 2) they are legally entitled to or can otherwise access the organization’s resources; they are legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or they are obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent of Eastgate in that they approve the budget, the issuance of debt, or the levying of taxes.

Based on the above description, there are no component units within Eastgate.

Method of Accounting

Eastgate’s funds are accounted for using the accrual basis of accounting. Revenues are recognized as earned from grant agencies when the related expenses are recognized. Direct costs are billed to grantor agencies at actual cost; indirect costs are billed using the provisional rate method, which is calculated based on the most recently audited fiscal year with adjustments for projected changes. At the end of the fiscal year, an actual rate is calculated and the difference between the estimated and actual cost for the period covered by the rate is identified to specific contracts.

Variances are either billed as an additional cost or refunded to the granting agency. No carry forward provision is permitted to adjust the future rates for the variance. Local revenue funds are recognized as revenue in the period in which they are assessed. The recognition of local revenue funds received which related to assessments for subsequent events is deferred.

Cash and Cash Equivalents

For purposes of the cash flows statement and for presentation on the statement of net position, Eastgate considers all liquid debt instruments purchased with temporary cash that have an original maturity of three months or less to be cash equivalents.

Vacation and Sick Leave

Eastgate employees generally earn vacation ranging from 10 to 25 days per year based on the length of service. The amount accrued for vacation leave was $71,172. The amount accrued for sick leave was $144,088, using the vesting method. These two numbers are included in the long-term liabilities.

Net Position

Net Position represents the difference between assets plus deferred outflows less liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Eastgate reports no restricted net position for the fiscal year.

Deferred Outflows and Inflows

In addition to assets, the statements of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents 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. For Eastgate, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 3 and 4.

In addition to liabilities, the statements of net position and balance sheets report 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 Eastgate, deferred inflows of resources include pension and OPEB. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (see Notes 3 and 4).

Pensions/Other Post Employment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Property and Equipment

Property and equipment are stated at cost. Eastgate's policy is to depreciate/amortize the cost of depreciable assets over their estimated useful lives of three to ten years computed using the straight-line method. Furniture and equipment and lease are purchased principally with local funds. Eastgate maintains a capitalization threshold of $5,000.

2. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

State statutes classify monies held by Eastgate into three categories.

Active Monies-Those monies required to be kept in a "cash" or "near-cash" status for immediate use by Eastgate. Such monies must be maintained either as cash in Eastgate's Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies-Those monies not required for use within the current five year period of designation of depositories. Inactive deposits may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit account including, but not limited to, passbook accounts.

Interim Monies-Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Deposits-Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of Eastgate cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets.

By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year end, the carrying amount of Eastgate's deposits was $1,843,303, and none of the District's bank balance of $1,845,770 was exposed to custodial risk as described below, meaning all $1,845,770 was covered by the Federal Deposit Insurance Corporation (FDIC) and the OPCS.

Investments-Eastgate had investments totaling $3,436,910 at June 30, 2023, which included 2 money market funds of $3,027,085 and one annuity valued at $409,825. Eastgate also had cash on hand of $100.

3. DEFINED BENEFIT PENSION PLAN

A. Net Pension Liability (Asset)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee, on a deferred payment basis, as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents Eastgate's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Eastgate's share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting.

Ohio Revised Code limits Eastgate's obligation for this liability to annually required payments. Eastgate cannot control benefit terms or the manner in which pensions are financed; however, Eastgate does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. A liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS).

Plan Description – Eastgate participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members of Eastgate may elect the member-directed plan and the combined plan, substantially all employees are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional pension plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (800) 222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS ACFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in thecombined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet therequirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits.

The amount available for defined contribution benefits in the member directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the member's investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts.

Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitation), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (definedbenefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2022 Statutory Maximum Contribution Rates	
Employer	14.0%
Employee *	10.0%
2022 Actual Contribution Rates	
Employer:	
Pension **	14.0%
Post-Employment Health Care Benefits	0.0%
Total Employer	14.0%
Employee	10.0%

*Member contributions within combined plan are not used to fund the defined benefit retirement allowance.

**These pension and employer health care rates are for the traditional & combined plans. The employer contribution rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. Eastgate's required contributions to OPERS for the years ended June 30, 2023, 2022, and 2021 were $176,372, $171,304, and $131,020, respectively, which represent 100 percent contributions for all three years.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Eastgate's proportion of the net pension liability was based on Eastgate's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	Traditional
Proportionate Share of the Net Pension Liability/(Asset)	$2,339,276
Proportion of the Net Pension Liability/(Asset) Prior Measurement Date	0.00754400%
Proportion of the Net Pension Liability/(Asset) Current Measurement Date	0.79190000%
Change in Proporationate Share	0.78435600%
Pension Expense	$349,613

At June 30, 2023, Eastgate reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional
Deferred Outflows of Resources	
Differences between expected and actual experience	$77,701
Change of Assumptions	24,713
Change in Proportionate Share	253,543
Net difference between projected and actual earnings on pension plan investments	666,766
Eastgate contributions subsequent to the measurement date	$88,186
Total Deferred Outflows of Resources	$1,110,909
Deferred Inflows of Resources	
Change in proportionate share and difference between Eastgate contributions and proportionate share of contributions	$264,301
Total Deferred Inflows of Resources	$264,301

$88,186 reported as deferred outflows of resources related to pension resulting from Eastgate contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Traditional
Fiscal Year Ending June 30:	
2024	$85,783
2025	149,748
2026	196,262
2027	326,629
Total	$758,422

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions:

Wage Inflation	2.75 Percent
Future Salary Increases, Including Inflation	2.75 Percent to 10.75 Percent
COLA or Ad hoc COLA	Pre 1/7/2013 retirees: 3 Percent Simple; Post 1/7/2013 retirees: 3 Percent Simple through 2023, then 2.05 Percent Simple
Current Measurement Period - Investment Rate of Return	6.90 Percent
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 12.1% for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees asoutlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major class that is included in the Defined Benefit portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
Fixed Income	22.00 %	2.62 %
Domestic Equities	22.00	4.60 %
Real Estate	13.00	3.27 %
Private Equity	15.00	7.53 %
International Equities	21.00	5.51 %
Risk Parity	2.00	4.37 %
Other Investments	5.00	3.27 %
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of Eastgate’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 6.9 percent, as well as what each plan’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.9 percent), or one percentage point higher (7.9 percent) than the current rate.

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Eastgate's Proportionate Share of the Net Pension Liability :			
Traditional	$ 3,504,158	$ 2,339,276	$ 1,370,304

4. DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Net OPEB Liability (Asset)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

The net OPEB liability (asset) reported on the statement of net position represents a liability (asset) to employees for OPEB. OPEB is a component of exchange transactions-between an employer and its employees-of salaries and benefits for employee services. OPEB is provided to an employee, on a deferred-payment basis, as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents Eastgate's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, cost trends and other variables. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Eastgate's share of each plan's unfunded benefits is presented as a long-term *net other postemployment benefit liability* on the accrual basis of accounting.

Ohio Revised Code limits Eastgate's obligation for liabilities to OPERS to annual required payments. Eastgate cannot control benefit terms or the manner in which OPEB from the cost-sharing, multiple-employer plans are financed; however, Eastgate does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability (asset) is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits but does not require the cost-sharing, multiple-employer retirement systems to provide health care to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Plan Description—Ohio Public Employees Retirement System (OPERS)

OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and combined plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The ORC permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by Systems' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, local employers contributed at a rate of 14.0 percent of earnable salary. This is the maximum employer contribution rate permitted by Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For fiscal year 2023, the Association's contractually required contribution was $0.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

The net OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. Eastgate's proportion of the net OPEB liability was based on the their share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	Traditional
Proportionate Share of the Net OPEB Liability/(Asset)	$49,155
Proportion of the Net OPEB Liability/(Asset) Prior Measurement Date	0.00741500%
Proportion of the Net OPEB Liability/(Asset) Current Measurement Date	0.00779600%
Change in Proporationate Share	0.00038100%
OPEB Expense	($95,536)

At June 30, 2023, Eastgate reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investments	$97,623
Change of Assumptions	48,011
Change in Proportionate Share	42,852
District contributions subsequent to the measurement date	0
Total Deferred Outflows of Resources	$188,486
Deferred Inflows of Resources	
Differences between expected and actual experience	$12,261
Change of Assumptions	3,950
Change in Proportionate Share	41,700
Total Deferred Inflows of Resources	$57,911

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

	Traditional
Fiscal Year Ending June 30:	
2024	$17,396
2025	35,579
2026	30,442
2027	47,158
Total	$130,575

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan and include the types of coverages provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB Statement No. 74.

Key Methods and Assumptions used in Valuation of the Total OPEB Liability (Asset):

Wage Inflation	2.75 Percent
Projected Salary Increases	2.75 - 10.75 Percent (includes wage inflation at 2.75%)
Single Discount Rate:	
Current Measurement Period	5.22 Percent
Prior Measurement Period	6.00 Percent
Investment Rate of Return	6.00 Percent
Municipal Bond Rate:	
Current Measurement Period	4.05 Percent
Prior Measurement Period	2.00 Percent
Health Care Cost Trend Rate:	
Current Measurement Period	5.50 Percent initial, 3.50 Percent ultimate in 2036
Prior Measurement Period	8.50 Percent initial, 3.50 Percent ultimate in 2035

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safet Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a loss of 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the OPERS Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic Equities	26.00	4.60
REIT's	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
Total	100.00 %	

Discount Rate. A single discount rate of 5.52 percent was used to measure the OPEB liability (asset) on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00% Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.0 percent and a municipal bond rate of 4.05 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of Eastgate's Proportionate Share of the Net OPEB Liability (asset) to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates. The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using he discount rate of 5.22 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.22 percent), or one percentage point higher (6.22 percent) than the current rate.

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Eastgate's Proportionate Share of the Net OPEB Liability (Asset):	$ 167,302	$ 49,155	$ (48,335)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate:

	1% Decrease (4.5%)	Current Trend Rate (5.5%)	1% Increase (6.5%)
Eastgate's Proportionate Share of the Net OPEB Liability (Asset):	$ 46,074	$ 49,155	$ 52,623

5. ACCUMULATED FRINGE BENEFITS

Accumulated fringe benefits totaled $5,766 and includes $2,661 in accrued employee hospitalization, $1,846 in accrued Deferred Compensation, and $1,259 in accrued employer Medicare tax.

6. COST ALLOCATION METHOD

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

Costs were distributed to the projects and activities pursuant to a cost allocation plan and/or a method of allocation, as applicable, as required by The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

7. CONTINGENCIES

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

8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 6/30/22	Additions	Reductions	Balance 6/30/23
Capital assets being depreciated/amortized:				
Furniture, fixtures and equipment	$201,952	$5,420	$0	$207,372
Intangible Right to Use Lease - Buildings	461,562	57,723	0	519,285
Intangible Right to Use Lease - Equipment	32,754	0	0	32,754
Total capital assets being depreciated/amortized	696,268	63,143	0	759,411
Accumulated depreciation/amortization:				
Furniture, fixtures and equipment	(134,091)	(18,705)	0	(152,796)
Intangible Right to Use Lease - Buildings	(46,157)	(109,629)	0	(155,786)
Intangible Right to Use Lease - Equipment	(13,648)	(6,551)	0	(20,199)
Total accumulated depreciation/amortization	(193,896)	(134,885) *	0	(328,781)
Capital assets, net	$502,372	($71,742)	$0	$430,630

*Of the current year depreciation total of $134,885, $116,180 is presented as a depreciation/amortization expense on the Statement of Revenues, Expenditures and Changes in Fund Net Position, and are related to Eastgate's intangible asset of copiers and buildings, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases,* a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

9. RISK MANAGEMENT

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

Liability Aggregate Limit	$ 2,000,000
Fire and Medical Limit	1,000,000
Fire Legal Liability	250,000
Medical Expenses	5,000
Business Property	150,000
Contractor's Equipment	8,970
Automobile	1,000,000
Tenants Liability	250,000
Deductible	250

Settled claims have not exceeded commercial coverage in any of the past three years. Also, Eastgate did not reduce the limits of liability significantly in the current year.

10. LONG TERM OBLIGATIONS

The change in long-term obligations of Eastgate during fiscal year 2023 were as follows:

	Balance at 06/30/22	Increases	Decreases	Balance at 6/30/23	Amounts Due in One Year
Long-Term Obligations:					
Leases - Buildings	$432,094	$0	($103,516)	$328,578	$81,390
Leases - Equipment	19,684	0	(6,561)	13,123	6,758
Compensated Absences	247,640	52,985	(85,365)	215,260	71,172
Total Before Net Pension & OPEB Liability	699,418	52,985	(195,442)	556,961	159,320
Net Pension Liability:					
OPERS	656,359	1,682,917	0	2,339,276	0
Net OPEB Liability:					
OPERS	0	49,155	0	49,155	0
Total	$1,355,777	$1,785,057	($195,442)	$2,945,392	$159,320

Leases Payable – The District had two lease agreements outstanding at the beginning of the year and also modified an existing lease agreement for office space in fiscal year 2023. Due to the implementation of GASB Statement No. 87, these leases have met the criteria of a lease thus requiring them to be recorded by Eastgate. The leases will be amortized over the lease terms since they are shorter than the useful lives due to Eastgate not taking ownership of the copiers or office space. A summary of the principal and interest amounts remaining for the lease are as follows:

Fiscal Year Ending June 30,	Leases					
	Copiers			Building		
	Principal	Interest	Total	Principal	Interest	Total
2024	$6,758	$394	$7,152	$81,390	$51,196	$132,586
2025	6,365	191	6,556	91,156	41,429	132,585
2026	0	0	0	102,095	30,490	132,585
2027	0	0	0	53,937	12,356	66,293
2028	0	0	0	0	0	0
Total	$13,123	$585	$13,708	$328,578	$135,471	$464,049

In accordance with the provisions of GASB Statement No.16, “Accounting for Compensated Absences’”, vacations benefits are accrued as a liability as the benefits are earned if the employees rights to receive compensation are attributable to services already rendered and it is probable that Eastgate will compensate the employees for the benefits through paid time off or some other means. Eastgate records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those Eastgate has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at year end, taking into consideration any limits in Eastgate’s termination policy. Eastgate reports a liability for accumulated unused sick leave for employees who will be eligible to retire at the end of the fiscal year.

The entire compensated absence liability is reported on the financial statements.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability see Note 3 and 4.

11. CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2023, the Eastgate has implemented Governmental Accounting Standards Board (GASB) Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription-Based Information Technology Arrangements", and GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 91 aims to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by users, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of Eastgate.

GASB Statement No. 94 aims to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The implementation of GASB Statement No. 94 did not have an effect on the financial statements of Eastgate.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The implementation of GASB Statement No. 96 did not have an effect on the financial statements of Eastgate.

GASB Statement No. 99 focuses on enhancing comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of Eastgate.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
June 30, 2023

Required Supplementary Information
Schedule of EASTGATE'S Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System (OPERS) - Traditional Plan
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EASTGATE'S Proportion of the Net Pension Liability	0.00791900%	0.00754400%	0.00726900%	0.00699900%	0.00711800%	0.00704700%	0.00659500%	0.00677000%	0.00682700%	0.00682700%
EASTGATE'S Proportionate Share of the Net Pension Liability	$2,339,276	$656,359	$1,076,381	$1,383,400	$1,949,476	$1,105,538	$1,497,612	$1,172,404	$816,538	$804,814
EASTGATE'S Covered-Employee Payroll	$1,223,600	$935,857	$1,076,021	$1,172,414	$1,641,380	$1,210,680	$1,426,240	$1,283,840	$1,309,440	$1,282,360
EASTGATE'S Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	191.18%	70.13%	100.03%	118.00%	118.77%	91.32%	105.00%	91.32%	62.36%	62.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

Amounts presented as of the EASTGATE'S measurement date which is December 31, 2022.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
June 30, 2023

Required Supplementary Information
Schedule of Eastgate Contributions
Ohio Public Employees Retirement System (PERS) - Traditional
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	$176,372	$171,304	$131,020	$150,643	$164,138	$121,068	$128,362	$117,921	$119,908	$117,429
Contributions in Relation to the Contractually Required Contribution	($176,372)	($171,304)	($131,020)	($150,643)	($164,138)	($121,068)	($128,362)	($117,921)	($119,908)	($117,429)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Eastgate Covered-Employee Payroll	$1,259,800	$1,223,600	$935,857	$1,076,021	$1,172,414	$1,008,900	$1,069,683	$982,679	$999,237	$978,573
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	12.00%	12.00%	12.00%

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
June 30, 2023

Required Supplementary Information
Schedule of EASTGATE'S Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System (OPERS)
Last Seven Fiscal Years (1)

	2022	2021	2020	2019	2018	2017	2016
EASTGATE'S Proportion of the Net OPEB Liability (Asset)	0.00779600%	0.00741500%	0.00693300%	0.00693300%	0.00739700%	0.00734000%	0.00734000%
EASTGATE'S Proportionate Share of the Net OPEB Liability (Asset)	$49,155	($232,249)	($127,543)	$957,627	$964,394	$797,070	$741,365
EASTGATE'S Covered-Employee Payroll	$1,223,600	$935,857	$1,076,021	$1,172,414	$1,641,380	$1,210,680	$1,426,240
EASTGATE'S Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	4.02%	-24.82%	-11.85%	81.68%	58.76%	65.84%	51.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%	47.80%	46.33%	65.84%	N/A

(1) Information prior to 2016 is not available.

Amounts presented as of the EASTGATE'S measurement date which is December 31, 2022.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
June 30, 2023

Required Supplementary Information
Schedule of Eastgate Contributions
Ohio Public Employees Retirement System (PERS) - OPEB
Last Ten Fiscal Years

	2023 (1)	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018	2017	2016	2015	2014
Contractually Required Contribution	$0	$0	$0	$0	$0	$10,543	$2,037	$9,795	$9,156	$9,156
Contributions in Relation to the Contractually Required Contribution	$0	$0	$0	$0	$0	($10,543)	($2,037)	($9,795)	($9,156)	($9,156)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Eastgate Covered-Employee Payroll	$0	$0	$0	$0	$0	$1,008,900	$1,069,683	$982,679	$999,237	$978,573
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	0.19%	2.00%	2.00%	2.00%

(1) Effective 2019 the contribution rate was 0%

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2017 and 2018	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent	3.25 to 10.75 percent	4.25 to 10.05 percent
including inflation	including wage inflation	including wage inflation	including wage inflation	including wage inflation
COLA and Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for post-January 7, 2013 retirees are as follows:

COLA or Ad Hoc COLA	
Post-January 7, 2013 Retirees	
2023	3 percent, simple through 2023, then 2.05 percent, simple
2022	3 percent, simple through 2022, then 2.05 percent, simple
2021	.5 percent, simple through 2021, then 2.15 percent, simple
2020	1.4 percent, simple through 2020, then 2.15 percent, simple
2017 through 2019	3 percent, simple through 2018, then 2.15 percent, simple
2016 and prior	3 percent, simple through 2018, then 2.8 percent, simple

Amounts reported beginning in 2022 use mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Postretirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010.

The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted or mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in Fiscal year 2019	6.00 percent
Fiscal year 2018	6.50 percent
Municipal Bond Rate:	
Fiscal year 2023	4.05 percent
Fiscal year 2022	1.84 percent
Fiscal year 2021	2.00 percent
Fiscal year 2020	2.75 percent
Fiscal year 2019	3.71 percent
Fiscal year 2018	3.31 percent
Single Discount Rate:	
Fiscal year 2023	5.22 percent
Fiscal year 2021	6.00 percent
Fiscal year 2020	3.16 percent
Fiscal year 2019	3.96 percent
Fiscal year 2018	3.85 percent
Health Care Cost Trend Rate:	
Fiscal year 2023	5.50 percent, initial 3.5 percent, ultimate in 2036
Fiscal year 2022	5.50 percent, initial 3.5 percent, ultimate in 2034
Fiscal year 2021	8.50 percent, initial 3.5 percent, ultimate in 2035
Fiscal year 2020	10.0 percent, initial 3.5 percent, ultimate in 2030
Fiscal year 2019	10.0 percent, initial 3.25 percent, ultimate in 2029
Fiscal year 2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in fiscal year 2023.

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

FEDERAL GRANTOR ***State Pass Through Grantor*** **Program/Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Number**	**Passed Through to Subrecipients**	**Federal Expenditures**
U.S. DEPARTMENT OF COMMERCE				
Direct Award from Economic Development Administration				
Economic Development Support for Planning Organizations	11.302	ED19CHI3020025		$ 70,049
COVID-19 Economic Adjustment Assistance	11.307	EDA-EG-22-1		$ 154,003
Economic Adjustment Assistance-GM Recovery	11.307	06-69-06143		$ 29,758
Total U.S. Department of Commerce				**253,810**
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration:				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205			
Passed Through Ohio Department of Transportation:				
CMAQ - Air Quality Program SFY 2022		PID 106734		$ 15,607
CMAQ - Air Quality Program SFY 2023		PID 106735		2,849
LORDSTOWN		PID 115113		153,705
CMAQ - Rideshare Program SFY 2022		PID 106736		14,944
CMAQ - Rideshare Program SFY 2023		PID 106737		49,534
STP - Regional Transportation Planning Supplement SFY 2022		PID 106731		1,705
STP - Regional Transportation Planning Supplement SFY 2023		PID 105278		147,471
Consolidated Planning Grant SFY 2022		PID 114262	434	2,395
Consolidated Planning Grant SFY 2023		PID 116044	35,151	857,911
Total Highway Planning and Construction Cluster			35,585	1,246,121
Total U.S. Department of Transportation			**35,585**	**1,246,121**
APPALACHIAN REGIONAL COMMISSION				
Direct Award				
Appalachian Local Development Assistance-2022	23.009	OH-707-E-C13-22		35,293
Appalachian Local Development Assistance	23.009	N/A		40,048
COVID-19 Appalachian Development Assistance	23.009	GOA-TA-22-3-1		4,274
ARC Power-Voltage Valley Entrepreneurial Ecosystem	23.009	PW-20416-TA-21		50,000
Total Appalachian Regional Commission				**129,615**
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Passed Through Ohio Department of Environmental Protection Agency				
Water Quality Planning (EPA)	66.454	604(b)		51,657
Total U.S. Environmental Protection Agency				**51,657**
Total Expenditures of Federal Awards			**$35,585**	**$1,681,203**

The accompanying notes are an integral part of this schedule.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
MAHONING COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FISCAL YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Eastgate Regional Council of Governments (the Government's) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Government.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Government has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D – SUBRECIPIENTS

Eastgate passes certain federal awards received from the Ohio Department of Transportation to other governments or not-for-profit agencies (subrecipients). As Note B describes, Eastgate reports expenditures of Federal awards to subrecipients when accrued.

As a subrecipient, Eastgate has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions or contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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

Eastgate Regional Council of Governments
Mahoning County
City Center One Building
100 East Federal Street, Suite 1000
Youngstown, OH 44503

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Eastgate Regional Council of Governments (Council), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated March 26, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Canter & Assoc

CANTER & ASSOCIATES

Poland, Ohio

March 26, 2024

CANTER & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Eastgate Regional Council of Governments
Mahoning County
City Center One Building
100 East Federal Street, Suite 1000
Youngstown, OH 44503

To the Board of Directors:

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

We have audited Eastgate Regional Council of Government's (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Council's major federal program for the year ended June 30, 2023. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2023.

Basis for Opinion on The Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Eastgate's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Eastgate's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Canter & Assoc

CANTER & ASSOCIATES
Poland, Ohio
March 26, 2024

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF FRINGE BENEFITS AND
COMPUTATION OF FRINGE BENEFIT RATES
For the Fiscal Year Ended June 30, 2023

	Actual Rates	ODOT Approved Provisional Rate
Fringe Benefits		
Sick, Vacation and Holiday Pay	$ 249,889	$ 237,053
Hospitalization and Life Insurance	214,708	204,390
OPERS	176,372	181,650
Worker's Compensation, Unemployment & Medicare	22,833	24,369
Total Fringe Benefit Costs (A)	663,802	647,462
Direct and Administrative Salaries		
Direct Salaries	$ 804,971	$ 856,924
Indirect Salaries - Administrative	205,249	203,523
Total Direct & Administrative Salaries (B)	1,010,220	1,060,447
Fringe Benefits Rate (A/B)	65.71%	61.06%

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COSTS AND
COMPUTATION OF INDIRECT COST RATES
For the Fiscal Year Ended June 30, 2023

	Actual Rates	ODOT Approved Provisional Rate
INDIRECT COSTS		
Administrative and Fiscal Management	$ 205,249	$ 203,523
Fringe Benefits for Indirect Salaries	134,866	124,262
Postage	112	100
Travel/Training/Conference	1,957	1,000
Telephone	5,920	5,200
Duplication and Printing	262	5,500
Office Supplies	3,596	10,000
Depreciation	134,885	18,000
Office Rent, Utilities & Insurance	65,913	112,000
Legal/Audit/Bookkeeping	29,691	27,500
Computer Supplies/Equipment	27,886	18,000
Dues	4,905	1,000
Office Insurance	2,962	3,050
Parking	10,312	9,720
Internet	1,518	1,500
Subscriptions/Bank Service Charges/Maintenance & Repair	1,024	1,400
TOTAL INDIRECT COSTS (A)	631,058	541,755
DIRECT SALARIES (B)	804,971	856,924
INDIRECT COST RATE (A/B)	78.40%	63.22%

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
FHWA/ODOT GRANT - PID 116044
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
FHWA Grant Funds	$ 857,911
ODOT Grant Funds	107,239
Local Match	107,239
Total Revenue	1,072,389
Expenditures:	
Direct Salaries	399,776
Direct Expenditures	80,464
Fringe Benefits	275,486
Indirect Costs	316,663
Total Expenditures	1,072,389
Revenue Over/Under Expenditures	-
Grant Funds Received	965,150
Total Federal Expenditures	857,911
Amount in Excess of 80%	$ 107,239

Note: Effective Fiscal Year 2009, Eastgate adopted the **PROVISIONAL RATE METHOD** of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
FHWA/ODOT GRANT CARRYOVER - PID 114262
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
FHWA Grant Funds	$ 2,129
ODOT Grant Funds	266
Local Match	266
Total Revenue	2,661
Expenditures:	
Direct Salaries	972
Direct Expenditures	482
Fringe Benefits	593
Indirect Costs	614
Total Expenditures	2,661
Revenue Over/Under Expenditures	-
Grant Funds Received	2,395
Total Federal Expenditures	2,129
Amount in Excess of 80%	$ 266

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT STP - PID 106733
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 147,471
Total Revenue	147,471
Expenditures:	
Direct Salaries	59,068
Direct Expenditures	912
Fringe Benefits	40,703
Indirect Costs	46,788
Total Expenditures	147,471
Revenue Over/Under Expenditures	-
Grant Funds Received	147,471
100% of Total Expenditures	147,471
Amount in Excess of 100%	$ -

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
FHWA/ODOT STP CARRYOVER-PID 106731
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 1,705
Total Revenue	1,705
Expenditures:	
Direct Salaries	766
Direct Expenditures	-
Fringe Benefits	468
Indirect Costs	485
Total Expenditures	1,719
Revenue Over/Under Expenditures	(14)
Grant Funds Received	1,705
100% of Total Expenditures	-
	1,719
Amount in Excess of 100%	$ 1,705

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT CMAQ OZONE - PID 106735
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 148,805
Total Revenue	148,805
Expenditures:	
Direct Salaries	14,939
Direct Expenditures	111,740
Fringe Benefits	10,294
Indirect Costs	11,832
Total Expenditures	148,805
Revenue Over/Under Expenditures	-
Grant Funds Received	148,805
100% of Total Expenditures	148,805
Amount in Excess of 100%	$ -

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT CMAQ OZONE CARRYOVER - PID 106734
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 19,509
Total Revenue	19,509
Expenditures:	
Direct Salaries	3,178
Direct Expenditures	12,381
Fringe Benefits	1,941
Indirect Costs	2,009
Total Expenditures	19,509
Revenue Over/Under Expenditures	-
Grant Funds Received	19,509
100% of Total Expenditures	19,509
Amount in Excess of 100%	$ -

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT CMAQ-Gohio - PID 106737
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 49,533
Expenditures:	
Direct Salaries	10,331
Direct Expenditures	23,900
Fringe Benefits	7,119
Indirect Costs	8,183
Total Expenditures	49,533
Revenue Over/Under Expenditures	-
Grant Funds Received	49,533
100% of Total Expenditures	49,533
Amount in Excess of 100%	$ -

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT CMAQ-Gohio CARRYOVER - PID 106736
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 14,944
Expenditures:	
Direct Salaries	6,671
Direct Expenditures	-
Fringe Benefits	4,074
Indirect Costs	4,218
Total Expenditures	14,963
Revenue Over/Under Expenditures	(19)
Grant Funds Received	14,944
100% of Total Expenditures	14,963
Amount in Excess of 100%	$ (19)

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
ODOT LORDSTOWN FEASIBILITY - PID 115113
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 153,705
Local Match	38,426
Total Revenue	192,131
Expenditures:	
Direct Salaries	-
Direct Expenditures	192,131
Fringe Benefits	-
Indirect Costs	-
Total Expenditures	192,131
Revenue Over/Under Expenditures	-
Grant Funds Received	192,131
100% of Total Expenditures	192,131
Amount in Excess of 100%	$ -

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
U.S. DEPARTMENT OF COMMERCE (EDA)
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 70,049
Local Match	70,049
Total Revenue	140,098
Expenditures:	
Direct Salaries	60,112
Direct Expenditures	5,280
Fringe Benefits	36,704
Indirect Costs	38,002
Total Expenditures	140,098
Revenue Over/Under Expenditures	-
Grant Funds Received	70,049
50% of Total Expenditures	70,049
Amount in Excess of 50 %	$ -

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
U.S. DEPARTMENT OF COMMERCE (EDA)-ARPA
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 154,003
Total Revenue	154,003
Expenditures:	
Direct Salaries	-
Direct Expenditures	154,003
Fringe Benefits	-
Indirect Costs	-
Total Expenditures	154,003
Revenue Over/Under Expenditures	-
Grant Funds Received	154,003
100% of Total Expenditures	154,003
Amount in Excess of 100 %	$ -

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
U.S. DEPARTMENT OF COMMERCE (EDA)-GM RECOVERY
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 29,758
Local Match	7,551
Total Revenue	37,309
Expenditures:	
Direct Salaries	16,635
Direct Expenditures	-
Fringe Benefits	10,157
Indirect Costs	10,517
Total Expenditures	37,309
Revenue Over/Under Expenditures	-
Grant Funds Received	29,758
80% of Total Expenditures	29,847
Amount in Excess of 80%	$ (89)

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
EPA-WATER QUALITY PLANNING - 604(B)
SCHEDULE OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 126,657
Total Revenue	126,657
Expenditures:	
Element #1200.01	
Direct Salaries	22,798
Direct Expenditures	535
Fringe Benefits	13,921
Indirect Costs	14,403
Total Expenditures Element #1200.01	51,657
Element #1200.02	
Direct Salaries	32,845
Direct Expenditures	1,335
Fringe Benefits	20,055
Indirect Costs	20,765
	-
Total Expenditures Element #1200.02	75,000
Total Expenditures	126,657
Revenue Over/Under Expenditures	-
Grant Funds Received	126,657
100% of Total Expenditures	126,657
Amount in Excess of 100%	$ -

Note:

Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
APPALACHIAN REGIONAL DEVELOPMENT-FEDERAL
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 79,800
Total Revenue	79,800
Expenditures:	
Direct Salaries	33,593
Direct Expenditures	-
Fringe Benefits	20,512
Indirect Costs	21,237
Total Expenditures	75,342
Revenue Over/Under Expenditures	4,458
Grant Funds Received	79,800
100% of Total Expenditures	75,342
Amount in Excess of 100%	$ 4,458

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
APPALACHIAN REGIONAL DEVELOPMENT-STATE
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

	ACTUAL
Revenue:	
Grant Funds	$ 170,000
Total Revenue	170,000
Expenditures:	
Direct Salaries	71,940
Direct Expenditures	9,163
Fringe Benefits	43,926
Indirect Costs	45,480
Total Expenditures	170,509
Revenue Over/Under Expenditures	(509)
Grant Funds Received	170,000
100% of Total Expenditures	170,509
Amount in Excess of 100%	$ (509)

Note: Effective Fiscal Year 2009, Eastgate adopted the PROVISIONAL RATE METHOD of calculating the Fringe Benefit and Indirect Cost Rates. During the fiscal year Eastgate invoiced using a provisional rate of 61.06% for Fringe Benefits and 63.22% for Indirect Costs. The result of our audit revealed that the actual rates for the Fiscal Year should be 65.71% for Fringe Benefits and 78.40% for Indirect Costs.

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS
MAHONING COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
YEAR ENDED JUNE 30, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	UNMODIFIED
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	NO
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	NO
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	NO
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	NO
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	NO
(d)(1)(v)	Type of Major Programs' Compliance Opinion	UNMODIFIED
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	NO
(d)(1)(vii)	Major Programs (list):	Highway Planning and Construction CFDA # 20.205
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee UNDER 2 CFR §200.520?	NO

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

NONE

3. FINDINGS FOR FEDERAL AWARDS

NONE

OHIO AUDITOR OF STATE
KEITH FABER

EASTGATE REGIONAL COUNCIL OF GOVERNMENTS

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/7/2024

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