ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

Dave Yost • Auditor of State

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

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INDEPENDENT AUDITOR'S REPORT

Allen County Regional Transit Authority
Allen County
200 East High Street
Lima, Ohio 45801

To the Members of the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Allen County Regional Transit Authority, Allen County, Ohio (the ACRTA), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the ACRTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Allen County Regional Transit Authority, Allen County, Ohio, as of December 31, 2016, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension liabilities and pension 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 and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2018, on our consideration of the ACRTA'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 ACRTA's internal control over financial reporting and compliance.

Dave Yost
Auditor of State
Columbus, Ohio

November 7, 2018

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ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016
(UNAUDITED)

As management of the Allen County Regional Transit Authority (ACRTA), we offer readers of ACRTA's basic financial statements this narrative overview and analysis of the financial activities of ACRTA for the year ended December 31, 2016. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements taken as a whole.

Overview of Financial Highlights

- ACRTA has net position of $3,927,809. The net position results from the difference between total assets and deferred outflows of resources of $6,159,669 and total liabilities and deferred outflows of resources of $2,231,860.
- Current assets of $454,621 primarily consist of non-restricted Cash and Cash Equivalents of $76,324 and Accounts and Intergovernmental Receivable of $323,543 and Material and Supplies Inventory of $54,754.
- Current Liabilities of $558,959 consist of Accrued Payroll and Benefits of $150,478, Compensated Absences of $7,955, Accounts Payable of $131,101 and Line of Credit of $269,525.
- Net position increased $369,437 primarily due increase in Ohio's Specialized Transportation Program Grant.

During 2015, ACRTA adopted GASB 68 "Accounting and Financial Reporting for Pension – an Amendment of GASB 27." which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of ACRTA's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals ACRTA's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB noted that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, ACRTA is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statue. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system.

In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensation 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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion, Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, ACRTA statement prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, ACRTA is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

Basic Financial Statements and Presentation

ACRTA complies with the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", and Statement No. 38, "Certain Financial Statement Disclosures".

The financial statements presented by ACRTA are the Statement of Net Position, the Statement of Revenues, Expenses, and Change in Net Position and the Statement of Cash Flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. ACRTA is structured as a single enterprise fund with revenues recognized when earned and measurable, not when received. Expenses are recognized when they are incurred, not when paid. Capital assets are capitalized and depreciated over their estimated useful lives.

The *Statement of Net Position* presents information on all of ACRTA assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the assets and deferred outflows of resources and liabilities plus deferred outflows reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of ACRTA is improving or deteriorating. Net position increases when revenues exceed expenses. Increases in assets and/or deferred outflows of resources without a corresponding increase to liabilities and/or deferred inflows of resources results in increased net position, which indicates improved financial position.

The *Statement of Revenues, Expenses, and Change in Net Position* presents information showing how ACRTA's net position changed during the year. This statement summarizes operating revenues and expenses along with non-operating revenues and expenses. In addition, this statement lists capital grant revenues received from federal, state and local governments.

The *Statement of Cash Flows* allows financial statement users to assess ACRTA's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) Cash flows from operating activities, 2) Cash flows from non-capital financing activities, 3) Cash flows from capital and related financing activities, and 4) Cash flows from investing activities.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of ACRTA

Table 1 provides a summary of ACRTA's net position for 2016 and 2015:

Table 1
Condensed Summary of Net Position

	2016	2015
Assets/Deferred Outflows:		
Current Assets	$454,621	$235,636
Deferred Outflow of Resources: Pension	610,690	178,336
Capital Assets (net of accumulated depreciation)	5,094,358	4,563,593
Total Assets/Deferred Outflows of Resources	6,159,669	4,977,565
Liabilities:		
Current Liabilities	558,959	332,099
Long-Term Liabilities	1,641,190	1,068,977
Deferred Inflows of Resources:		
Pension	31,711	18,117
Net Position:		
Net Investment in Capital Assets	5,094,358	4,563,593
Unrestricted Net Position	(1,166,549)	(1,005,221)
Total Net Position	$3,927,809	$3,558,372

The largest portion of ACRTA's net position reflects investment in capital assets consisting of vehicles, office equipment, shop equipment, computer hardware/software, land, and building and improvements. ACRTA uses these capital assets to provide public transportation services for Allen County; consequently, these assets are not available to liquidate liabilities or to cover other spending.

Table 2
Condensed Summary of Revenues, Expenses and Change in Net Position

	2016	2015
Operating Revenues	$611,703	$788,612
Operating Expenses (Excluding Depreciation)	(3,048,119)	(3,299,174)
Depreciation Expense	(613,507)	(567,883)
Operating Loss	(3,049,923)	(3,078,445)
Federal Grants	2,652,752	1,462,512
State Grants	137,487	106,868
Local Grants	129,072	100,973
Other Revenues	509,078	559,411
Other Expenses	(9,029)	(1,055)
Total Non-Operating Revenues/(Expenses)	3,419,360	2,228,709
Decrease/Increase in Net Position During Year	(369,437)	(849,736)
Net Position, Beginning of Year	$3,558,372	4,408,108
Net Position, End of Year	$3,927,809	$3,558,372

Financial Operating Activities

The most significant operating expenses for ACRTA are Labor, Employee Benefits, Depreciation Expense, Services, and Materials and Supplies. These expenses account for 92% of the total operating expenses. Labor, which accounts for 31% of the total, represents costs associated with salaried and hourly employees. Employee Benefits, which account for 12% of the total, represents costs associated with OPERS and workers compensation premiums paid by ACRTA covering its employees. Depreciation expense, which accounts for 17% of the total, represents current year depreciation less any disposals. Services, which accounts for 13% of the total, represents costs associated with vehicle operations, auditing and legal fees and contract management and building services. Materials and supplies, which accounts for 18% of the total, represents costs associated with materials and supplies needed for vehicle maintenance as well as computer and office supplies.

Funding for the most significant operating expenses indicated above is from Special Service and Passenger Fares revenue, as well as Non-Operating Revenues in the form of Federal Grants and Assistance, State Grants and Assistance and Local Grants and Assistance. These revenues account for 87% of the total combined revenues of $4,040,092. Fare box revenue for 2016 was $203,690, and account for 5% of the total revenues. Special Service revenue for 2016 was $408,013, and accounts for 10% of the total revenue. Federal Grants and Assistance revenue for 2016 was $2,652,752, and accounts for 66% of the total revenue. State Grants and Assistance revenue for 2016 was $137,487 and accounts for 3% of total revenue. Local Grants and Assistance revenue for 2016 was $129,072, and accounts for 3% of the total revenue. Fuel sales and Other Revenues make up the remaining 13% of total revenue.

ACRTA monitors its sources of revenues closely for fluctuations.

Capital Assets and Debt Administration

ACRTA investment in capital assets as of December 31, 2016, amounts to $5,094,358 (net of accumulated depreciation). This investment in capital assets includes Vehicles, Equipment, Buildings and Improvements, Land, and Computer Hardware/Software.

Additional information concerning ACRTA capital assets can be found in Note 4 of the Notes to the Basic Financial Statements.

As of December 31, 2016, ACRTA had a line of credit.

Contacting ACRTA Financial Management

This financial report is designed to provide our citizens, customers, and creditors, with a general overview of ACRTA finances and to show ACRTA accountability for the money it receives. Questions concerning the information in this report or to request additional information should be directed to Shelia Schmitt, Executive Director, Allen County Regional Transit Authority, 200 East High Street, Lima, Ohio 45801.

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
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STATEMENT OF NET POSITION
DECEMBER 31, 2016

Assets:	
Current Assets:	
Cash and Cash Equivalents	$76,324
Accounts Receivable	42,534
Intergovernmental Receivable	281,009
Material and Supplies Inventory	54,754
Total Current Assets	454,621
Capital Assets:	
Equipment	316,567
Vehicles	5,226,790
Computer Hardware/Software	277,663
Buildings & Improvements	3,524,511
Land	217,262
Total Capital Assets	9,562,793
Less: Accumulated Depreciation	(4,468,435)
Total Capital Assets, Net of Accumulated Depreciation	5,094,358
Total Assets	5,548,979
Deferred Outflows of Resources:	
Pension	610,690
Liabilities:	
Current Liabilities:	
Accounts Payable	131,001
Accrued Payroll and Benefits	150,478
Compensated Absences Payable	7,955
Line of Credit Payable	269,525
Total Current Liabilities	558,959
Long-Term Liabilities:	
Net Pension Liability	1,641,190
Total Liabilties	2,200,149
Deferred Inflows of Resources:	
Pension	31,711
Total Deferred Inflows of Resources	31,711
Net Position:	
Net Investment in Capital Assets	5,094,358
Unrestricted	(1,166,549)
Total Net Position	$3,927,809

See accompanying notes to the basic financial statements.

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
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STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

Operating Revenues	
Passenger Fares	$203,690
Special Service	408,013
Total Operating Revenues	611,703
Operating Expenses	
Labor	1,141,784
Employee Benefits	454,662
Services	473,535
Materials and Supplies	674,452
Utilities	47,132
Insurance	95,614
Miscellaneous	160,940
Depreciation	613,507
Total Operating Expenses	3,661,626
Operating Loss	(3,049,923)
Non-Operating Revenues / (Expenses)	
Interest Income	9
Interest Expense	(9,029)
Auxiliary Revenue	1,244
Non-Transportation Revenue	507,825
Federal Grants and Assistance	2,652,752
State Grants and Assistance	137,487
Local Grants and Assistance	129,072
Total Non-Operating Revenues / (Expenses)	3,419,360
Increase in Net Position	369,437
Net Position at Beginning of Year	3,558,372
Net Position at End of Year	$3,927,809

See accompanying notes to the basic financial statements.

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows from Operating Activities:	
Cash Received from Customers	$611,703
Cash Payments to Suppliers for Goods and Services	(1,496,452)
Cash Payments to Employees for Services	(1,438,171)
Net Cash used for Operating Activities	(2,322,920)
Cash Flows from Non-Capital Financing Acitivities:	
Receipts from Non-Capital State and Federal Grants	1,498,616
Receipts from Other Financing Activities	999,636
Net Cash Provided by Financing Activities	2,498,252
Cash Flows from Capital and Related Financing Activities:	
Interest Expense	(9,029)
Receipts from Capital Grants	1,053,994
Purchase of Capital Assets	(1,144,274)
Net Cash Used for Financing Activities	(99,309)
Cash Flows from Investing Activities:	
Interest income	9
Net Cash Provided by Investing Activities	9
Net Increase in Cash	76,032
Cash and Cash Equivalents, Beginning of Year	292
Cash and Cash Equivalents, End of Year	76,324
Operating Loss	(3,049,923)
Adjustments:	
Depreciation	613,507
Change in Assets and Liabilities:	
(Increase) Decrease in Assets:	
Materials and Supplies Inventory	2,708
Accounts Receivable	91,970
Intergovernmental Receivable	(361,495)
Deferred Outlfows Pension	(432,354)
Increase (Decrease) in Liabilities:	
Accounts Payable	(567)
Accrued Payroll and Benefits	(3,133)
Compensated Absences	7,955
Other Payables	(46,920)
Unearned Revenue	269,525
Net Pension Liability	572,213
Deferrred Inflows Pension	13,594
Total Adjustments	113,496
Net Cash Used for Operating Activities	($2,322,920)

Non-cash Captial Transaction:

As of December, 2016 an on behalf payment was made by the Ohio Department of Transportation for Allen County Regional Transit Authority in the amount of $664,101 to American Bus and Accessories, Inc. for the purchase of 6 vans.

See accompanying notes to the basic financial statements.

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NOTE 1 - DESCRIPTION OF REPORTING ENTITY

Description of the Reporting Entity

The Allen County Regional Transit Authority (ACRTA) is a body politic of the State of Ohio, organized under Ohio Revised Code Section 306.31, established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. ACRTA operates under a seven member Board of Trustees, appointed by the Allen County Commissioners, with an appointed Executive Director handling the daily operations. ACRTA provided transportation services to the residents of Allen County, to include but not limited to the general population, elderly, and handicapped riders.

For financial reporting purposes, ACRTA's basic financial statements include all funds, agencies, boards, commissions, and departments for which ACRTA is financially accountable. Financial accountability, as defined by the GASB, exists if ACRTA appoints a voting majority of an organization's Governing Board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, ACRTA. ACRTA may also be financially accountable for governmental organizations with a separately elected Governing Board, a Governing Board appointed by another government, or a jointly appointed Board that is fiscally dependent on ACRTA. ACRTA also took into consideration other organizations for which the nature and significance of their relationship with ACRTA are such that exclusion would cause ACRTA's basic financial statements to be misleading or incomplete. ACRTA has no component units.

ACRTA participates in a public entity risk pool. Note 9 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:
The Ohio Transit Risk Pool – self-insurance pool

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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 pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

A. Basis of Presentation

ACRTA's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and change in net position, and a statement of cash flows. ACRTA uses enterprise accounting to track and report on its financial activities. Enterprise fund reporting focuses on the determination of the change in net position, financial position, and cash flows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statements of net position. The statement of revenues, expenses and change in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how ACRTA finances and meets the cash flow needs of its enterprise activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. ACRTA's financial statements are prepared using the accrual basis of accounting whereby revenues and expenditures are recognized in the period earned or incurred. The measurement focus is on determination of net income, financial position of cash flows. All transactions are reported in a single enterprise fund.

D. Budgetary Accounting and Control

ACRTA's annual budget is prepared on the accrual basis of accounting as permitted by law. ACRTA maintains budgetary control by not permitting total expenditures to exceed total appropriations without approval of the Board of Directors.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in checking accounts and are stated at cost, which approximates market value. Cash and cash equivalents represent the funds that are used for general operations. For purposes of the statement of cash flows, ACRTA considers all highly liquid instruments with maturity of three months or less at the time they are purchased to be cash equivalents.

F. Recognition of Receivables and Revenue

Passenger fares are recorded as revenue at the time services are provided and revenues pass through the fare box. Grants and assistance revenues are from reimbursable, non-reimbursable and entitlement type grant programs. These grant programs involve transactions that are categorized as either government mandated or voluntary non-exchange transactions. Grant and assistance revenues from government mandated and voluntary non-exchange transaction are recorded as receivable and non-operating revenue when all eligibility requirements are met. Grants and assistance revenues received before the eligibility requirements are met are deferred inflows of resources.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an inflow of resources (expense) until that time. For ACRTA, deferred outflows of resources are reported on the statement of net position for pension. In addition to the liabilities, the statement of financial position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net that applies to a future period and will not be recognized until that time. For ACRTA, deferred inflows of resources are reported for pension. Deferred outflows and inflows for pension are explained in Note 5.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Property and Equipment

Property and Equipment are recorded at cost. Current year depreciation expense is recorded using the straight –line method over the estimated useful lives of the assets as follows.

Buildings and Improvements	20 to 35 years
Equipment	5 years
Computer Hardware/Software	5 years
Vehicles	4 to 12 years

When assets acquired with capital grants are disposed of, ACRTA is required to notify the granting federal agency. A proportional amount of the proceeds or fair market value, if any, of such property and equipment may be used to acquire like-kind replacement vehicles or equipment or remitted to the granting federal agency.

I Material and Supplies Inventory

Inventory consists of two types of fuel for buses and for sale to other local entities and is stated at cost, which is determined on a first-in, first-out basis. The cost of inventory is recorded as an expense when sold or used.

J Compensated Absences

ACRTA employees are permitted to carry one week of PTO time over year-end. Unused accrued PTO benefits are paid to the employee upon separation from ACRTA.

K. Current Liabilities

Obligations incurred but unpaid at June 30 are reported as current liabilities in the accompanying financial statements. These liabilities consisted of Accounts Payable, Accrued Payroll and Benefits Compensated Absences Payable and Line of Credit Payable totaling $558,959 at December 31, 2016.

L. Net Position

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. ACRTA did not have any outstanding borrowings as noted above for 2016. Net Position is reported as restricted when there are limitations imposed on their use either by enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. ACRTA did not have any restricted net position for 2016.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For ACRTA, these revenues are passenger fares and special service guarantee. Operating expenses are the necessary costs incurred to provide the services that are the primary activity. All revenue and expenses not meeting these definitions are reported as non-operating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Pensions

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 positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

NOTE 3 – CASH AND INVESTMENTS

The provisions of the Ohio Revised Code govern the investments and deposits of ACRTA. In accordance with these statutes, only financial institutions located in Ohio are eligible to hold public deposits. The statutes also permit ACRTA to invest its monies in certificates of deposits, savings accounts, money market accounts, the State Treasurer's investment pool (STAR Ohio) and obligation of the United States government or certain agencies thereof. ACRTA may also enter into repurchase agreements with any eligible depository for a period not exceeding 30 days.

Repurchase agreements are to be secured by the specific government securities upon which the repurchase agreements are based. These securities must be an obligation of or guaranteed by the United States and mature or be redeemable within five years of the related repurchase agreement. The market value of the securities subject to repurchase agreements must exceed the value of the principal by 2% and be marked to market daily. State law does not require that security be maintained for public deposits and investments be held in ACRTA's name.

ACRTA is prohibited from investing in any financial instruments, contracts, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a "derivative"). ACRTA is also prohibited from investing in reverse repurchase agreement.

The carrying amount of ACRTA deposits was $76,324.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, ACRTA will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, none of ACRTA's bank balance of $76,324 was exposed to custodial credit risk.

ACRTA has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with ACRTA or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 is as follow.

Description	Balance 1/1/2016	Additions	Capital Disposals	Balance 12/31/2016
Buildings & Improvements	$3,524,511			$3,524,511
Land	217,262			217,262
Vehicles	4,566,907	1,132,830	472,947	5,226,790
Equipment	306,580	9,987		316,567
Computer Hardware/Software	273,456	4,207		277,663
Total Capital Assets	$ 8,888,716	$1,147,024	$472,947	$9,562,793
Less Accumulated Depreciation				
Buildings & Improvements	1,721,183	96,965		1,818,148
Vehicles	2,208,097	447,672	470,197	2,185,572
Equipment	208,157	68,240		276,397
Computer Hardware/Software	187,688	630		188,318
Total Accumulated Depreciation	4,325,125	613,507	(470,197)	4,468,435
Total Capital Assets, Net	4,563,591	533,517	(2,750)	5,094,358

NOTE 5 – DEFINED BENEFIT PENSION PLAN

Net Pension Liability

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 ACRTA'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 others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Ohio Revised Code limits ACRTA's obligation for this liability to annually required payments. ACRTA cannot control benefit terms or the manner in which pensions are financed; however, ACRTA 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. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued payroll and benefits on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – ACRTA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension 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 (e.g. ACRTA employees) may elect the member-directed plan and the combined plan, substantially all employee members 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 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 CAFR referenced above for additional information):

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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 and Service Requirements:**	**Age and Service Requirements:**
Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula:	**Formula:**	**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	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	**Public Safety**	**Public Safety**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	**Public Safety and Law Enforcement**	**Public Safety and Law Enforcement**
Formula:	**Formula:**	**Formula:**
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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.

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 a 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.

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

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

2016 Statutory Maximum Contribution Rates		
Employer	14.0	%
Employee	10.0	%
2016 Actual Contribution Rates		
Employer:		
Pension	12.0	%
Post-employment Health Care Benefits	2.0	%
Total Employer	14.0	%
Employee	10.0	%

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

ACRTA's contractually required contribution was $128,283 for 2016. Of this amount, $18,128 is reported as Accrued Payroll and Benefits.

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

The net pension liability for OPERS was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. ACRTA's proportion of the net pension liability was based on ACRTA's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS
Proportionate of Net Pension Liability:	
Current Measurement Date	0.009475%
Prior Measurement Date	0.008863%
Change in Proportionate Share	0.000612%
Proportionate Share of the Net	
Pension Liability	$ 1,641,190
Pension Expense	$ 209,901

At December 31, 2016, ACRTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

		OPERS
Net difference between projected and actual earnings on pension plan investements	$	482,407
Contributions subsequent to the measurement date		128,283
Total Deferred Outflows of Resources		$610,690
Deferred Inflows of Resources		
Differences between expected and actual experience		$31,711

$128,283 reported as deferred outflows of resource related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the period ending December 31, 2017.

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

	OPERS
Year Ending December 31:	
2017	$105,507
2018	113,221
2019	122,800
2020	109,168
Total	$450,696

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values 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 in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement in accordance with the requirement of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below:

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Wage Inflation		3.75 percent
Future Salary Increases, including inflation		4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA		
Pre-January 7, 2013 Retirees		3 percent, simple
Post- January 7, 2013 Retirees		3 percent, simple
through 2018, then		2.8 percent, simple
Investment Rate of Return		8 percent
Actuarial Cost Method		Individual Entry Age

Mortality rates were 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.

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term 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.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 0.4 percent for 2015.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined 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 table below displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

NOTE 5 – DEFINED BENEFIT PENSION PLAN (Continued)

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.31 %
Domestic Equities	20.70	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	18.30	7.40
Other investments	18.00	4.59
Total	100.00 %	5.27 %

Discount Rate The discount rate used to measure the total pension liability was 8 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, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of ACRTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents ACRTA's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what ACRTA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
ACRTA's proportionate share of the net pension liability	$2,614,816	$1,641,190	$819,967

Changes Between Measurement Date and Report Date

In October 2016, the OPERS Board adopted certain assumption changes which will impact the annual actuarial valuation prepared as of December 31, 2016. The most significant change is a reduction in the discount rate from 8 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the ACRTA's net pension liability is expected to be significant.

NOTE 6 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 two cost-sharing multiple-employer defined benefit postemployment health care trusts which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement, and Medicare Part B premium reimbursements to qualifying benefit recipients of both the traditional pension and combined plan. Members of the member-directed plan do not qualify for ancillary benefits including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an other postemployment benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code 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 which 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.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed 14 percent of earnable salary. This is the maximum employer contribution rate permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees and the traditional pension and combined plans. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund the health care plans. The portion of the employer contribution allocated to health care for members in both the traditional pension and combined plans was 2 percent for 2016. The 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.

NOTE 6 – POSTEMPLOYMENT BENEFITS (Continued)

The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a retiree medical account for member-directed plan members. The employee contribution as a percentage of covered payroll deposited into the retiree medical accounts for 2016 was 4 percent for 2016.

In March 2016, OPERS received two favorable rulings from the IRS allowing OPERS to consolidate all health care assets into the 115 Health Care Trust. Transition to the new health care trust structure occurred during 2016. OPERS Combining Statement of Changes in Fiduciary Net Position for the year ended December 31, 2016, reflects a partial year of activity in the 401(h) Health Care Trust and the VEBA Trust prior to the termination of these trusts as of the end of the business day June 30, 2016, and the assets and liabilities or net position of these trusts being consolidated into the 115 Health Care Trust on July 1, 2016.

Substantially all of ACRTA's contribution allocated to fund postemployment health care benefits relates to the cost-sharing multiple-employer trusts. The corresponding contribution for the years ended December 31, 2016, 2015, and 2013 was $2,290, $2,426, and $10,833 respectively. For 2016, 95 percent has been contributed with the balance being reported as an Accrued Payroll and Benefits. The full amount has been contributed for 2015 and 2014.

NOTE 7 – LONG TERM OBLIGATIONS

The changes in ACRTA's long-term obligations during 2016 were as follows:

	Amount Outstanding 12/31/15	Additions	Deletions	Amount Outstanding 12/31/16
Net Pension Liablity	$1,068,977	$572,213		$1,641,190
Total	$1,068,977	$572,213	$0	$1,641,190

NOTE 8 – LINE OF CREDIT

On February 2, 2016 , ACRTA entered into a secured line of credit with Citizens National Bank of Bluffton for $200,000. The line of credit bears interest of bank prime plus 1.250% with an expiration date of 02/02/2017. At December 31, 2016, $98,775.38 has been drawn on the line of credit. The collateral used was all business assets.

On July 22, 2016, ACRTA entered into a secured line of credit with Citizens National Bank of Bluffton for $300,000. The line of credit bears interest of bank prime plus 1.250% with an expiration date of 02/22/2017. At December 31, 2016, $170,750.00 has been drawn on the line of credit. The collateral used was all business assets.

NOTE 9 – RISK MANAGEMENT

ACRTA is a member of the Ohio Transit Risk Pool (OTRP), a self-insurance pool created under Chapter 2744 of the Ohio Revised Code. Through the pool, ACRTA receives risk management services and property and casualty loss coverage in exchange for contributions paid. The OTRP members group self-insures the $250,000 of any qualified auto physical damage loss and the first $100,000 of any qualified commercial property loss.

NOTE 9 – RISK MANAGEMENT (Continued)

Qualified casualty losses are group self-insured to $2,000,000 subject to a $1,000 per occurrence loss deductible. Per occurrence limits are maintained above the group self-insurance by OTRP equal to approximately $200,000,000 for qualified property losses and $10,000,000 for qualified casualty losses. Any underfunding of the plan's self-insured liabilities are shared pro-rata by the members based on pool contribution factors comprised of: service area population, FTE employees, number of vehicles, total property values, claims history and net operating expenses. All factors are single weighed except for claims history which is double weighted in the underwriting analysis.

ACRTA continues to carry commercial insurance for all risks of loss, including Worker's Compensation, Comprehensive General Liability, Automobile Liability, Errors and Omissions, and Employee Benefits Liability, commercial Property, Auto Physical Damage, Bonds and Crime.

There was no significant reduction in insurance coverage and no settlements exceeded insurance coverage during the past three years.

NOTE 10 – CONTINGENCIES

In the normal course of operations, ACRTA may be subject to litigation and claims. ACRTA receives a substantial amount of support from federal, state, and local governments. A significant reduction in the level of local government support, which took place in January 1, 2009, had a material effect on ACRTA's programs. In an effort to make improvements, ACRTA has sought contracting opportunities through coordination efforts with local human service agencies. In mid-2011 ACRTA with ACBDD partnered, with ACRTA to do more of DD's transportation. This revenue stream has allowed for restoration of services and expansion of other services. At the end of 2011 ACRTA added a new route and expanded their hours of service. Opening an hour earlier and running service on Saturdays. The beginning of 2012 ACRTA expanded their hours again to run service until 10:15 at night.

ACRTA received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability for the General Fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of ACRTA at December 31, 2016.

NOTE 11 – RECEIVABLES

Receivables at December 31, 2016 consisted of primarily accounts (billings) and intergovernmental grants. All receivables are considered collectible in full.

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ACRTA'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST THREE YEARS (1)

	2015	2014	2013
ACRTA's Proportion of the Net Pension Liability	.009475%	.008863%	.008863%
ACRTA's Proportionate Share of the Net Pension Liability	$1,641,190	$1,068,977	$1,044,832
ACRTA's Covered-Employee Payroll	$1,010,825	$1,357,650	$1,202,585
ACRTA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	162.36%	78.74%	86.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

(1) Information prior to 2013 is not available

Amounts presented as of the Authority's measurement date which is the prior fiscal year end.

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ACRTA'S CONTRIBUTIONS
LAST FOUR YEARS (1)

	2016	2015	2014	2013
Contractually Required Contribution	$128,283	$121,299	$162,918	$156,336
Contributions in Relation to the Contractually Required Contribution	($120,622)	($121,299)	($162,918)	($156,336)
Contribution Deficiency (Excess)	$7,661	$0	$0	$0
ACRTA Covered-Employee Payroll	$1,069,025	$1,010,825	$1,357,650	$1,202,585
Contributions as a Percentage of Covered-Employee Payroll	12%	12%	12%	13%

(1) Information prior to 2013 is not available

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal CFDA Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Ohio Department of Transportation			
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEM-0002-016-004	7,005
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-061-060	11,564
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-016-006	122,982
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-006-007	122,982
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-006-008	122,982
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-006-009	98,385
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-006-010	98,385
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0002-006-011	98,385
Total Enhanced Mobility of Seniors and Individuals with Disabilities			682,670
Job Access and Reverse Commute Program	20.516	JARC-4002-095-141	39,425
Job Access and Reverse Commute Program	20.516	JARC-4002-095-161	225,965
Total Job Access and Reverse Commute Program			265,390
New Freedom Program	20.521	NF-4002-044-161	$100,000
New Freedom Program	20.521	NF-4002-056-161	46,107
Total New Freedom Program			146,107
Total Transit Services Program Cluster			1,094,167
Total Passed Through Ohio Department of Transportation			1,094,167
Direct Program:			
Federal Transit Cluster:			
Federal Transit_Formula Grants	20.507		179,593
Federal Transit_Formula Grants	20.507		133,371
Federal Transit_Formula Grants	20.507		389,893
Federal Transit_Formula Grants	20.507		803,446
Total Federal Transit Cluster:			1,506,303
Total U.S. Department of Transportation			2,600,470
Total Expenditures of Federal Awards			$2,600,470

The accompanying notes are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Allen County Regional Transit Authority (ACTRA's) under programs of the federal government for the year ended December 31, 2016. 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 ACTRA, it is not intended to and does not present the financial position, changes in net position, or cash flows of the ACTRA.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The ACTRA 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 ACRTA to contribute non-Federal funds (matching funds) to support the Federally-funded programs. ACRTA has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Allen County Regional Transit Authority
Allen County
200 East High Street
Lima, Ohio 45801

To the Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards,* the financial statements of the Allen County Regional Transit Authority, Allen County, (the ACRTA) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the ACRTA's basic financial statements and have issued our report thereon dated November 7, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the ACRTA's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the ACRTA's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

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Compliance and Other Matters

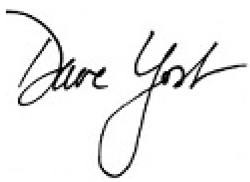
As part of reasonably assuring whether the ACRTA's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-002.

ACRTA's Response to Findings

The ACRTA's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not subject the ACRTA's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

November 7, 2018

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

Allen County Regional Transit Authority
Allen County
200 East High Street
Lima, Ohio 45801

To the Members of the Board of Trustees:

Report on Compliance for each Major Federal Program

We have audited the Allen County Regional Transit Authority's (the ACRTA) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the Allen County Regional Transit Authority's major federal programs for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the ACRTA's major federal programs.

Management's Responsibility

The ACRTA's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the ACRTA's compliance for each of the ACRTA's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the ACRTA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each Major Federal Program

In our opinion, the Allen County Regional Transit Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2016-003. Our opinion on each major federal program is not modified with respect to this matter.

The ACRTA's response to our noncompliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the ACRTA's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying schedule of findings as item 2016-003.

The ACRTA's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not subject the ACRTA's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

November 7, 2018

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ALLEN COUNTY REGIONAL TRANSIT AUTHORITY
ALLEN COUNTY

SCHEDULE OF FINDINGS
2 C.F.R. § 200.515
DECEMBER 31, 2016

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	Yes
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	Yes
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 C.F.R. § 200.516(a)?**	Yes
(d)(1)(vii)	**Major Programs (list):**	Transit Services Program Cluster Federal Transit Cluster
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 C.F.R. § 200.520?**	No

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

FINDING NUMBER 2016-001

Material Weakness - Accuracy of Financial Reporting

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

The following errors were identified and were adjusted on the accompanying financial statements:

- Accounts payable and related expenses were overstated in the amount of $538,153 due to improper reporting of liabilities at year end;
- Negative other payables in the amount of $1,200, were erroneously recorded on the financial statements;
- Deferred outflows of resources was understated by $71,246, deferred inflows of resources was overstated, by $17,131, net pension liability was understated by $32,915, and labor expenses was overstated by $55,462, when recording pension obligations as required by Governmental Accounting Standards Statement (GASB) 68;
- Federal grant receipts in the amount of $664,101, spent on behalf of the ACRTA for the purchase of six vans, was not recorded; and
- Net Investment in Capital Assets was understated in the amount of $40,687.

The following errors were also identified and were not adjusted on the accompanying financial statements as they were immaterial:

- Intergovernmental receivable was overstated by $77,982 as the result of recording receivables for two grants in which the funding had ended;
- Intergovernmental receivable was understated by $11,564 for a grant in which eligibility requirements had been met in 2016;
- A grant in the amount of $11,500 was recorded as special service operating receipts instead of federal grants and assistance non-operating receipts;

Financial reporting errors resulted in the material misstatement of the financial statements. Such errors impact the users understanding the activity and balances of the ACRTA. The failure to record grant related activity could jeopardize future funding.

The Board received financial reports during the year, however, the revenues and disbursements presented in these reports were not at a detailed level that may have helped to detect some of the errors identified above.

Governmental resources such as those found on the Auditor of State website at www.ohioauditor.gov and training opportunities presented by the Auditor of State and governmental accounting associations should be utilized by the finance director to further an understanding of financial reporting. In addition, the Board should be provided with financial reports that show revenues by classification (i.e. passenger fares, federal grants and assistance, etc.) and expense reports at the classification level.

FINDING NUMBER 2016-001
(Continued)

Reports should also be provided that show the revenues, expenses, and balances for each restricted grant. During the year and at year-end a review should be performed to help ensure all financial activity has been recorded. The annual financial statements should be reviewed to help detect errors.

OFFICIALS' RESPONSE:

AP in the amount of $538,153 was recorded for the purchase of vans that was not received until 2017.
*This is not uncommon when ordering buses and vans to miscalculate the delivery date. A PO was issued, and the bus was delayed due to changes of production. We can only rely on the dates of arrival given.

Federal receipts of $664,101, spent on behalf of ACRTA for the purchase of six vans, was not recorded.
*This grant was awarded to ACRTA but the ODOT was the recipient of the grant funds. ACRTA never received these funds: therefore, it was not recorded. ODOT later realized that the process was incorrect. ODOT continues to hold the title to all six vans.

The Board received financial reports during the year, however, revenues and disbursements presented in these reports were not at a detailed level that may have helped to detect some of the errors identified above.
*The ACRTA Board did receive the revenues and disbursement in the financials that were approved every month (consistent with bank statements). Additionally, the ACRTA Board does receive monthly Profit and Loss report that lists the revenues and expenditures by classification.

*To prevent continued future errors in the financials, there is a Plan of Action for 2018. As part of this plan, the Finance Director has joined the Ohio GFOA.

FINDING NUMBER 2016-002

Noncompliance Citation

Ohio Rev. Code § 121.22(C) of Ohio's Open Meetings Act states, in part, that all meetings of any public body are declared to be public meetings open to the public at all times**.** Executive sessions may be held for only a few specific purposes, and no vote or other decision on the matter(s) discussed may take place during the executive session. Additionally, **Ohio Rev. Code § 121.22(G)(1)** states, in part, the motion and vote to hold that executive session shall state which one or more of the approved purposes listed in division (G)(1) of this section are the purposes for which the executive session is to be held. If the purpose of the executive session is to discuss one of the matters included in the personnel exception, the motion must specify which one of those specific matters will be discussed.

On June 7, 2016, the Allen County Regional Transit Authority (ACRTA) entered into executive session for the purpose of "contract for management services". Upon further examination, the ACRTA provided the purpose was to discuss payment of an executive director under division (G)(5).

It is not clear from the minutes and classification of the Executive Director that the ACRTA entered into executive session for a purpose which is approved by the Ohio's Open Meetings Act because contracts entered into by public entities and those concerning public officials, including payments thereto, are not subject to confidentiality privileges, classifying it as a matter required to be kept confidential by federal law or regulations or state statutes. The ACRTA may utilize the purpose listed in (G)(1) to consider the appointment, employment, or compensation of a public employee. The minutes should accurately reflect the intended purpose in accordance with Ohio's Open Meetings Act.

FINDING NUMBER 2016-002
(Continued)

The ACRTA should review the Ohio Sunshine Laws, specifically focusing on the Open Meetings Act referenced in Ohio Rev. Code § 121.22 to determine the required procedures to follow when utilizing executive sessions. These resources are available at www.ohioauditor.gov. Improper use of executive session could result in an injunction being issued, in which case the Board could be required to correct its actions, and be responsible for paying various court costs, fines, and attorney fees.

OFFICIALS' RESPONSE:

The ACRTA Board of Trustees will follow recommendations of this audit report and the Ohio Public Employees Retirement System to review the position of the Executive Director standards. After the review of this position, ACRTA will follow all regulations and recommendations.

3. FINDINGS FOR FEDERAL AWARDS

Noncompliance Citation / Material Weakness –
Accuracy of Financial Statements and the Schedule of Expenditures of Federal Awards

Finding Number	2016-003		
CFDA Title and Number	Enhanced Mobility of Seniors and Individuals with Disabilities CFDA #20.513 – Transit Services Program Cluster		
Federal Award Identification Number / Year	SPEM-0002-016-004, SPEC-0002-061-060, SPEC -0002-016-006, SPEC-0002-006-007, SPEC-0002-0006-008, SPEC-0002-006-009, SPEC-0002-006-010, SPEC-0002-006-011		
Federal Agency	U.S. Department of Transportation		
Compliance Requirement	Other		
Pass-Through Entity	Ohio Department of Transportation		
Repeat Finding from Prior Audit?	No	**Finding Number (if repeat)**	N/A

2 C.F.R. § 1200.1 gives regulatory effect to the Department of Transportation for **2 C.F.R. § 200.510(a)** which requires, in part, that the auditee must prepare financial statements that reflect its financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. **2 C.F.R. § 1200.1** gives regulatory effect to the Department of Transportation for **2 C.F.R. § 200.510(b)(3)** which requires, in part, the auditee to prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. The Schedule must include total Federal awards expended for each individual Federal program.

The ACRTA prepared financial statements and a Schedule of Expenditures of Federal Awards (the Schedule), however, eight Enhanced Mobility of Seniors and Individuals with Disabilities grant awards in the amount of $682,670, were not reported on the financial statements or the Schedule. This grant was paid on-behalf of the ACRTA which may have contributed to the grant not being recorded on the Schedule.

FINDING NUMBER 2016-003
(Continued)

The accompanying financial statements and the Schedule have been adjusted to record this activity.

The failure to prepare accurate financial statements and Schedule could result in a material misstatement of the financial statements and the Schedule which may result in follow-up action being taken by the grantor agency.

A procedure(s) and/or control(s) should be implemented to verify that the Schedule is accurate and complete. Such a procedure(s) and/or control(s) could include reconciling the ACRTA's accounting records and grant documents to the Schedule. In addition, grantor agencies may need to be contacted to identity on-behalf payments.

OFFICIALS' RESPONSE:

The Federal Schedule was reconciled to the ACRTA's accounting records. When vehicles are purchased, we normally receive a check from the grantor and issue a check to the vendor. It is not the normal practice to not receive payments for vehicles. ODOT did not issue us any money and paid the vendor directly. We received no paperwork or notification as to when or how much was paid by ODOT. This was a one-time incident and it should not happen again now that ODOT has a procedure and policy in place. This was the first time ODOT assisted in a capital purchase with ACRTA as the Small Urban grantee.

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200 E. High Street
Lima, OH 45801
Phone: 419.222.2782
Fax: 419.879.0027

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2016

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	The Finance Director has joined the GFOA to refresh and keep up with current issues.	Ongoing	Patricia Stein
2016-002	The ACRTA Board will follow recommendations of the Auditor of State and OPERS.	12/31/18	Board of ACRTA
2016-003	The ACRTA will verify if there were any on behalf payments made.	Ongoing	Patricia Stein

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Dave Yost • Auditor of State

ALLEN COUNTY REGIONAL TRANSIT AUTHORITY

ALLEN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 29, 2018

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