GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2017

Dave Yost • Auditor of State

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY
DECEMBER 31, 2017

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INDEPENDENT AUDITOR'S REPORT

Greene County Transit Board
Greene County
2380 Bellbrook Avenue
Xenia, Ohio 45385

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Greene County Transit Board, Greene County, Ohio (the Board), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Board'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 Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greene County Transit Board, Greene County, as of December 31, 2017, and the changes in its 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 Board'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 information 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 August 17, 2018, on our consideration of the Board'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 Board's internal control over financial reporting and compliance.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

August 17, 2018

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(UNAUDITED)

This discussion and analysis of Greene County Transit Board's financial performance provides an overall review of the Board's financial activities for the year ended December 31, 2017. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the Board's financial performance.

Highlights

Key highlights for 2017 are as follows:

- The Board became eligible for Federal Transit Administration (FTA) Operating Assistance funds at 50% of eligible expenses instead of Capital Cost of Contracting at 32% allowing reimbursement for all operational costs not just capital costs and reducing the amount of local matching funds required to provide service by 18%. Total allocated funds available for reimbursement only increased 2%.

- The Board added weekend flex route service beginning September 2, 2017 operating four routes from 9:30 am to 5:30 pm that connect and circulate in the communities of Beavercreek, Fairborn, Xenia, and Yellow Springs. The routes are funded at 80% by Congestion Management Air Quality funds and local matching funds obtained in a regional funding exchange of capital funds for operational funds with the Greater Dayton Regional Transit Authority.

- The Board purchased six 25 foot 18 passenger buses capable of carrying three wheelchairs and eight 22 foot 12 passenger buses capable of carrying two wheelchairs using FTA funds at 80% reimbursement.

- The Board added one half time assistant scheduler position to their staff to provide better coverage of incoming calls for ride requests and extend the reservation line hours from 3 pm to 4 pm Monday through Friday. This addition brings the Transit Board's total full time equivalent position for both Administration and Scheduling to eight. All other operational and maintenance positions are contracted out.

- The Board's receipts were approximately $4.9 million for the 2017 fiscal year. The breakdown of receipts is as follows:

  - Federal, state and local grants and reimbursements $2,508,643
  - Passenger fares and other revenues $2,415,975
  - Other revenues $5,456

- The Net position of the Board increased by 7% or $241,318. The increase is due primarily to the purchase of 14 new Light Transit Vehicles.

Using the Basic Financial Statements

This discussion and analysis includes the basic financial statements and accompanying notes prepared in accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended and interpreted.

Basic Financial Statements and Presentation

The basic financial statements presented by the Board are the statement of net position, the statement of revenues, expenses and changes 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. The Board 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 notes to the financial statements are an integral part of the financial statements and provide expanded explanations and details regarding the information reported in the financial statements.

The statement of net position presents information on all of the Board's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the net position of the Board is improving or deteriorating. Net position increases when revenues exceed expenses. Increases in assets without a corresponding increase to liabilities results in increased net position, which indicate improved net position.

The statement of revenues, expenses and changes in net position presents information showing how the Board'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 reports capital grant revenues received from federal, state and local governments.

The statement of cash flows allows financial statement users to assess the Board's adequacy or ability to generate sufficient cash flows to meet current obligations. The statement is classified into three categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, and 3) cash-flows from capital financing activities. The federal, state and local grants received for capital assets are included in non-capital financing 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 basic financial statements.

Condensed Summary of Net Position

	2017	2016
Assets:		
Current Assets	$2,702,705	$2,892,204
Capital Assets, Net	1,720,501	1,181,837
Total Assets	4,423,206	4,074,041
Deferred Outflows - Pension	259,681	169,569
Liabilities:		
Current Liabilities	321,195	295,507
Long Term Liabilities	584,966	418,308
Total Liabilities	906,161	713,815
Deferred Inflows - Pension	13,696	8,083
Net Position:		
Net Investment in Capital Assets	1,712,901	1,181,837
Unrestricted	2,050,129	2,339,875
Total Net Position	$3,763,030	$3,521,712

Current assets represent cash and outstanding receivable for services rendered in 2017. Capital assets consist mostly of vehicles. The primary increase in capital assets in 2017 is due to the purchase of 14 light transit vehicles.

Condensed Summary of Revenues, Expenses and Changes in Net Position

	2017	2016
Operating Revenues	$2,415,975	$2,598,837
Operating Expenses, Excluding Depreciation/ Pension Expense	(3,935,575)	(3,593,535)
Pension Expense	(137,262)	(58,776)
Depreciation	(615,919)	(601,089)
Operating Loss	(2,272,781)	(1,654,563)
Nonoperating Revenues	2,514,099	2,226,802
Increase (Decrease) in Net Position	241,318	572,239
Net Position - Beginning of Year	3,521,712	2,949,473
Net Position - End of Year	$3,763,030	$3,521,712

The Board's operating revenues decreased by $182,862 to $2,415,975 in 2017. This 7% decrease resulted from a decrease in contract service. The Board's expenses increased by $342,040 to $3,935,575 in 2017. The 10% increase resulted from the expansion of peak, evening, and weekend service, cost of teach support for mobile data terminals and notification module, addition of half-time equivalent position, and the purchase of bike racks for new vehicles. The 2017 increase in non-operating revenues totaling $287,297 is related to Federal funds drawn down to help pay for the expanded flex routes and new vehicles, an increase in State funding, and the sale of fully depreciated vehicles.

Capital Assets

The Board's investment in capital assets was $1,720,501 net of accumulated depreciation as of December 31, 2017. Capital assets include transit buses, shop equipment, tools, office and computer software and equipment.

Additional information on capital asset activity can be found in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Board's finances for those with an interest in its finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Kenneth D. Collier, Executive Director, Greene County Transit Board, 2380 Bellbrook Avenue, Xenia, Ohio 45385.

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

STATEMENT OF NET POSITION
DECEMBER 31, 2017

Assets:	
Current Assets:	
Cash, cash equivalents and investments	$2,077,291
Receivables:	
Trade	304,469
Federal/ State grants	276,332
Other receivables	(438)
Prepaid expenses	45,051
Total current assets	2,702,705
Long Term Assets	
Capital assets, net of accumulated depreciation	1,720,501
Total Assets	4,423,206
Deferred Outflows of Resources	
Pension - OPERS	259,681
Liabilities	
Current Liabilities	
Trade Payables	277,378
Accrued Payroll and payroll liabilities	43,817
Total current liabilities	321,195
Long Term Liabilities	
Net pension liability	584,966
Total Liabilities	906,161
Deferred Inflow of Resources	
Pension - OPERS	13,696
Net Position	
Net investment in capital assets	1,712,901
Unrestricted	2,050,129
Total Net Position	$3,763,030

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

Operating Revenues	
Passenger fares	$108,105
Special transit fares	2,231,455
Other revenues	76,415
Total Operating Revenues	2,415,975
Operating Expenses	
Labor	361,582
Fringe benefits	240,962
Services	92,606
Materials and supplies	31,157
Utilities	16,014
Casualty and liability	5,210
Purchased transportation service	3,259,538
Leases and rentals	50,087
Miscellaneous	15,681
Total Operating Expenses	4,072,837
Operating Loss Before Depreciation	(1,656,862)
Depreciation	
On assets acquired with capital grants	563,140
On other assets	52,779
Total Depreciation	615,919
Operating Loss	(2,272,781)
Non-Operating Revenues (Expenses)	
Federal cash grants and reimbursements	2,333,599
State cash grants and reimbursements	121,319
Local cash grants and reimbursements	53,725
Pass through expense	5,456
Total Non-Operating Revenues	2,514,099
Increase in Net Position	241,318
Net Position - Beginning of Year	3,521,712
Net Position - End of Year	$3,763,030

The accompanying notes are an integral part of the financial statements.

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from Operating Activities:	
Cash received from passengers	$2,394,248
Cash received from miscellaneous items	78,610
Cash payments to suppliers of goods and services	(3,466,490)
Cash payments to employee for services	(355,442)
Cash payments for employee benefits	(153,911)
Net Cash Used by Operating Activities	(1,502,985)
Cash Flows from Non-Capital Financing Activities:	
Federal grants	2,342,603
State grants	116,890
Local grants	53,725
Net Cash Provided by Non-Capital Financing Activities	2,513,218
Cash Flows from Capital Financing Activities:	
Payments for the purchase of capital assets	(1,154,583)
Net Decrease in Cash, Cash Equivalents and Investments	(144,350)
Cash, Cash Equivalents and Investments - beginning of year	2,221,641
Cash, Cash Equivalents and Investments - end of year	2,077,291
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating loss	(2,272,781)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	615,919
Pass through expense	5,456
Changes in operating assets and liabilities:	
Trades receivables	45,828
Other receivables	2,195
Prepaid expenses	(7,449)
Trades payables	20,111
Accrued payroll and other liabilities	6,152
Compensated absences	(575)
Deferred Pension Outflows - OPERS	(90,112)
Net pension liability	166,658
Deferred Pension Inflow - OPERS	5,613
Net Cash Used by Operating Activities	($1,502,985)

The accompanying notes are an integral part of the financial statements.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and practices followed by the Board are as follows:

A. Organization

The Greene County Transit Board was created January 1, 2004, pursuant to Sections 306.01 through 306.13 of the Ohio Revised Code for the purpose of providing public transportation in Greene County, Ohio. As a political subdivision, it is distinct from, and is not an agency of, the State of Ohio or any other local governmental unit. The Board is not subject to federal or state income taxes. The Board is managed by a seven – member Board of Trustees and provides public transportation within Greene County.

B. Reporting Entity

The Board has adopted the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No.39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14* and GASB Statement No. 61, *The Financial Reporting Entity Omnibus-an Amendment of GASB Statements No. 14 and No. 34, regarding the definition of the financial reporting entity*. Accordingly, the accompanying financial statements include only the accounts and transactions of the Board. Under the criteria specified in Statements No. 14, 39 and 61 the Board has no component units nor is it considered a component unit of any other entity.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Board is not financially accountable for any other organization nor is any other organization accountable to the Board. This is evidenced by the fact that the Board is a legally and fiscally separate and distinct organization under the provisions of the Ohio Revised Code.

C. Basis Of Accounting

The Board's financial statements follow the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net position, change in net position and cash flows. All transactions are accounted for in a single enterprise fund.

The Board implemented a financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended and interpreted. The Board will continue applying all applicable pronouncements issued by the GASB.

D. Cash, Cash Equivalents And Investments

The Board considers all highly liquid investments (including restricted assets) with a maturity, at date of purchase, of three months or less to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value. Investments are reported at fair value which is based on quoted market prices.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2017, the Board invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Board measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business day(s), but only to the $50 million limit. All accounts of the participant will be combined for these purposes.

E. Trade Receivables

Trade receivables are carried at the original invoice amount, less an estimate made for doubtful accounts, based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. It is the opinion of management that as of December 31, 2017, all trade receivables are collectible. Accordingly, no allowance has been provided for in these financial statements. As accounts are deemed uncollectible, they are charged to bad debt expense. Recoveries of receivables previously written off are recognized when received.

F. Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. It is the opinion of management that as of December 31, 2017, all grants receivable are collectible. Accordingly, no allowance has been provided for in these financial statements. No bad debts were charged against operations for the year ended December 31, 2017.

G. Capital Assets

Capital assets are stated at cost at the date of acquisition. All purchases of vehicles, computers and equipment are capitalized. Furniture, fixtures and tools are capitalized if the cost is greater than $2,500. The cost of furniture, fixtures and tools less than $2,500 is charged to operations as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Transportation equipment	4 – 5 years
Furniture, fixtures, computer equipment and tools	3 – 7 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in operations. The cost of maintenance and repairs is charged to operations as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

Employees who resign or retire after one year of service are entitled to full compensation for all earned unused vacation. There is no year of service requirement in order to be paid for accrued comp time at termination. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive a termination sick leave benefit. Employees who retire with more than 10 years of service are entitled to receive payment for a percentage of unused sick leave. Unused sick leave pay is lost upon termination for employees with less than 10 years of service. As of December 31, 2017, there was no accrual for unused sick leave for Board employees.

I. Net Position

Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, increased by any deferred outflows of resources attributable to capital asset acquisition, construction or improvements and reduced by the outstanding balances of any borrowing used or deferred inflows of resources attributable for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The net position of the Board and changes therein are classified and reported as follows:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation reduced by borrowing attributable to acquisition of the capital asset.

Unrestricted – Net position is reported as unrestricted when it does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are available for use, it is the Board’s policy to use externally restricted resources first, then unrestricted resources in order as needed.

J. Classifications Of Revenue

The Board has classified its revenues as either operating or non-operating. Operating revenue includes activities that have the characteristics of exchange transactions including passenger fares. Non-operating revenue includes activities that have the characteristics of non- exchange transactions, such as federal and state grants not based on passenger fares.

K. Revenue Recognition

The Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), and the Ohio Department of Transportation (ODOT) provide financial assistance and make grants directly to the Board for operations and acquisition of capital assets. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement period.

Capital grants for the acquisition of property and equipment (reimbursement type grants) are recognized as revenue when the expenditure has been made and the revenue is available. Capital grant funds received in advance of project costs being incurred are deferred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Passenger fares and special transit fares are recognized as revenue when the transportation service is provided.

L. Estimates And Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

M. Subsequent Events

The Board has evaluated subsequent events for potential recognition and disclosure through the opinion date, the date the financial statements' audit was completed.

N. 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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The investment and deposit of Board monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Board to invest in certificates of deposit, savings accounts, money market accounts, STAROhio, STARPlus and obligations of the United States government and certain agencies thereof. The Board may also enter into repurchase agreements, for a period not exceeding 30 days, with an eligible depository or any eligible security dealer that is a member of the National Association of Securities Dealer.

A. Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits that are not FDIC insured. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as collateral against all public deposits held or as specific collateral held at the Federal Reserve Bank in the name of the Board.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of December 31, 2017, the carrying amount of the Board's deposits was $421,157 and the bank balance was $431,989. Of the bank balance, $431,989 was covered by federal depository insurance.

B. Investments

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. As of December 31, 2017, the Board's investments at amortized cost were $1,655,634 which was 100% invested in STAROhio.

Interest rate risk and interest rate risk policy – Interest rate risk is the risk that an investment's value will change due to a change in the absolute level of interest rates. The Board's investment policy states that investments will be conducted as specified in the Ohio Revised Code Section 135.35 or other relevant sections as amended.

Credit risk and credit risk policy – Board policy and State statute address credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers. This policy addresses the acceptable types of investments, proper diversification, maturity, qualified institutions to invest in and overall investment objectives. The Board's investments in STAROhio were rated AAAm by Standard & Poor's.

Concentration of credit risk – The Board places no limit on the amount it may invest in any one issuer. The Board has invested 100% of its available investment funds in STAROhio.

Custodial credit risk and custodial credit risk policy – Custodial credit risk is the risk that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Board's funds are invested in accordance with State statute and the Board's investment policy. All of the Board's investments are either insured and/or registered in the name of the Board.

C. Reconciliation of Cash, Cash Equivalents and Investments

A reconciliation of cash, cash equivalents and investments to the statement of net position balance as of December 31, 2017 is as follows:

Investment in STAROhio	$1,655,634
Carrying amount of STARPlus deposits	256,033
Carrying amount of the Board's bank deposits	165,124
Petty Cash	500
Total, cash, cash equivalents and investments	$2,077,291

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017, is as follows:

	Balance 12/31/2016	Additions	Disposals	Balance 12/31/2017
Cost basis:				
Transportation equipment	$2,946,183	$1,074,037	$646,412	$3,373,808
Computer equipment	280,132	80,546		360,678
Furniture and fixtures	51,188			51,188
Tools	141,162			141,162
Total Capital Assets Being Depreciated	3,418,665	1,154,583	646,412	3,926,836
Accumulated Depreciation				
Transportation equipment	1,927,034	548,989	646,412	1,829,611
Computer equipment	194,770	49,119		243,889
Furniture and fixtures	20,659	6,614		27,273
Tools	94,365	11,197		105,562
Total Accumulated Depreciation	2,236,828	615,919	646,412	2,206,335
Net Book Value	$1,181,837	$538,664	$0	$1,720,501

4. PURCHASED TRANSPORTATION SERVICES

The Board has contracted with a local transportation company to provide public transit services for Greene County. Expenses under this contract totaled $3,259,538 for the year ended December 31, 2017. All passenger fares related to these transit services are collected by the Board and recognized as revenue.

5. DEFINED BENEFIT PENSION PLANS

A. 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 the Greene County Transit Board’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.

5. DEFINED BENEFIT PENSION PLANS (Continued)

Ohio Revised Code limits the Greene County Transit Board's obligation for this liability to annually required payments. The Greene County Transit Board cannot control benefit terms or the manner in which pensions are financed; however, the Greene County Transit Board 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 payroll liabilities* on the accrual bases of accounting.

B. Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Greene County Transit Board 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. Greene County Transit Board 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, including requirements for reduced and unreduced benefits):

5. DEFINED BENEFIT PENSION PLANS (Continued)

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.

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:

2017 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2017 Actual Contribution Rates	
Employer:	
Pension	13.0 %
Post-employment Health Care Benefits	1.0
Total Employer	14.0 %
Employee	10.0 %

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

5. DEFINED BENEFIT PENSION PLANS (Continued)

The Greene County Transit Board's contractually required contribution was $49,618 for 2017. Of this amount, $7,705 is reported as a liability included in the Accrued Payroll and Payroll Liabilities.

C. 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, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Greene County Transit Board's proportion of the net pension liability was based on the Greene County Transit Board'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
Proportion of the Net Pension Liability:	
Current Measurement Date	0.00257600%
Prior Measurement Date	0.00241500%
Change in Proportionate Share	0.00016100%
Proportionate Share of the Net Pension Liability	$584,966
Pension Expense	$137,262

At December 31, 2017, the Greene County Transit Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS
Deferred Outflows of Resources	
Differences between expected and actual experience	$793
Changes of assumptions	92,783
Net difference between projected and actual earnings on pension plan investments	87,115
Changes in proportion and differences between Board contributions and proportionate share of contributions	29,372
Board contributions subsequent to the measurement date	49,618
Total Deferred Outflows of Resources	$259,681

5. DEFINED BENEFIT PENSION PLANS (Continued)

	OPERS
Deferred Inflows of Resources	
Differences between expected and actual experience	$13,696
Total Deferred Inflows of Resources	$13,696

$49,618 reported as deferred outflows of resources related to pension resulting from Greene County Transit Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2018	$84,352
2019	83,041
2020	31,528
2021	(2,554)
Total	$196,367

D. 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 was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2016, the OPERS' actuarial consultants conducted an experience study for the period 2011 through 2015, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 8.0 percent down to 7.5 percent, for the defined benefit investments. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2016, compared with December 31, 2015, are presented below.

5. DEFINED BENEFIT PENSION PLANS (Continued)

	December 31, 2016	December 31, 2015
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2016, mortality rates are 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 for 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.

For 2015, 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, 2015. The prior 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.

5. DEFINED BENEFIT PENSION PLANS (Continued)

During 2016, OPERS managed investments in four investment portfolios: the Defined Benefit portfolio, the 401(h) Health Care Trust portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The 401(h) Health Care Trust portfolio was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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. The Defined Benefit portfolio historically included the assets of the Member-Directed retiree medical accounts funded through the VEBA Trust. However, the VEBA Trust was closed as of June 30, 2016 and the net position transferred to the 115 Health Care Trust portfolio on July 1, 2016. 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 is 8.3 percent for 2016.

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 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability for 2016 was 7.5 percent. The discount rate for 2015 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 contractually 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.

5. DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Board's proportionate share of the net pension liability	$893,666	$584,966	$327,719

6. POST-EMPLOYMENT BENEFITS

Plan Description – OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member- directed plan do not qualify for ancillary benefits, including post- employment health care. The post-employment health care plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment healthcare coverage, age and service retirees under the traditional and combined plans must have ten years or more of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care coverage to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the post-employment health care plan are provided separately in the OPERS financial report which may be obtained by visiting https://www.opers.org/investments/cafr.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 – State statute requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment benefits.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2017, local government employers contributed 14% of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the post-employment health care plan.

The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the traditional and combined plans was 1.0% during the calendar year 2017. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care benefits provided. Payment amounts vary depending on the number of covered dependents and selected coverage.

6. POST-EMPLOYMENT BENEFITS (Continued)

The Board's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2017, 2016 and 2015, totaled $ 3,817 , $6,264 and $7,012, respectively; 100% of the required contribution has been contributed for 2017, 2016 and 2015.

Changes to the post-employment health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4% of the employer contributions toward the post- employment health care fund after the end of the transition period.

7. FEDERAL AND STATE GRANTS AND REIMBURSEMENTS

Federal and state grants and reimbursements in the statement of revenues, expenses and changes in net position for the year ended December 31, 2017, consist of the following:

Federal – FTA maintenance and other assistance	$2,333,599
State – Formula funds	121,319

8. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, floods and earthquakes, errors and omissions, employment related matters and employee injuries, theft and fraud.

The Board carries liability insurance for its transit equipment. The insurance coverage has a combined single limit of $5,000,000 for qualified property losses. The Board carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage during the past year, nor have there been any significant changes in coverage in the past year.

9. LEASE OBLIGATION

In November 2014, the Board entered into a lease for office space with a third party for a period of three years commencing April 2015.

Future minimum lease payments for the office space for the years subsequent to December 31, 2017, are as follows:

Year Ending	
December 31, 2018	11,645
	$11,645

Rent expense totaled $46,584 for the year ended December 31, 2017.

10. FEDERAL AND STATE GRANTS

The Board participates in federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2017, audits of certain programs have not been completed. Accordingly, the Board's compliance with applicable grant requirements will be established at a future date. The Board believes that disallowed claims if any will not have a material adverse effect on the Board's financial position.

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GREENE COUNTY TRANSIT BOARD

Required Supplementary Information
Schedule of the Transit Board's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System
Last Four Fiscal Years (1)

	2017	2016	2015	2014
Transit Board's Proportion of the Net Pension Liability	0.002576%	0.002415%	0.002287%	0.002287%
Transit Board's Proportionate Share of the Net Pension Liability	\$584,966	\$418,308	\$275,838	\$269,608
Transit Board's Covered-Employee Payroll	\$388,430	\$350,604	\$280,433	\$257,054
Transit Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	150.60%	119.31%	98.36%	104.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available.
Amount presented for each year were determined as of the Board's measurement date which is the prior year-end.

GREENE COUNTY TRANSIT BOARD

Required Supplementary Information

Schedule of Transit Board's Contributions

Ohio Public Employees Retirement System

Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Contractually Required Contribution	$49,618	$46,612	$42,073	$33,652	$33,417
Contributions in Relation to the Contractually Required Contribution	(49,618)	(46,612)	(42,073)	(33,652)	(33,417)
Contribution Deficiency (Excess)	$0	$0	$0	$0	$0
Transit Board's Covered-Employee Payroll	$381,677	$388,430	$350,604	$280,433	$257,054
Contributions as a Percentage of Covered-Employee Payroll	13.00%	12.00%	12.00%	12.00%	13.00%

2012	2011	2010	2009	2008
$31,672	$32,731	$28,963	$28,885	$21,292
(31,672)	(32,731)	(28,963)	(28,885)	(21,292)
$0	$0	$0	$0	$0
$316,720	$327,310	$340,741	$339,824	$304,171
10.00%	10.00%	8.50%	8.50%	7.00%

Changes in Assumptions - OPERS

Amounts reported for 2017 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 2016 and prior are presented below:

	December 31, 2017	December 31, 2016 and Prior
Wage Inflation	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2018, then 2.15 percent, simple	3 percent, simple through 2018, then 2.8 percent, simple
Investment Rate of Return	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Amounts reported for 2017 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 for 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.

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Grant Number**	**Federal CFDA Number**	**Expenditures**
U.S. DEPARTMENT OF TRANSPORTATION			
FEDERAL TRANSIT ADMINISTRATION			
Direct:			
FEDERAL TRANSIT CLUSTER			
FEDERAL TRANSIT FORMULA GRANTS	OH-90-X832	20.507	$124,818
	OH-90-X849		604,749
	OH-90-X873		1,267,987
	OH-95-X153		180,999
	2017-2 (CMAQ)		150,061
TOTAL FEDERAL TRANSIT FORMULA GRANTS			**2,328,614**
TRANSIT SERVICES PROGRAM CLUSTER			
JOB ACCESS AND REVERSE COMMUTE PROGRAM	OH-37-X090	20.516	4,955
Total U.S. Department of Transportation			**2,333,569**
Total Federal Awards Expenditures			**$2,333,569**

The accompanying notes are an integral part of this schedule.

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Greene County Transit Board (the Board's) under programs of the federal government for the year ended December 31, 2017. 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 Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Board

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

NOTE D – GRANT NUMBER

Initial temporary grant numbers are provided through the Federal Transit Administrations TrAMS system when applications are made until approved and executed. As of the December 31, 2017 the funds for grant #2017-2 (CMAQ) were still in the initial phase at the federal level and will be given a permanent grant number similar to other grants listed when fully processed. The funds have already been approved at both the Regional and State Level and transferred from the State to the Federal Level.

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

Greene County Transit Board
Greene County
2380 Bellbrook Avenue
Xenia, Ohio 45385

To 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 Greene County Transit Board, Greene County, (the Board) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated August 17, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Board'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 Board'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 Board'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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Board'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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

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 Board's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Dave Yost
Auditor of State
Columbus, Ohio

August 17, 2018

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

Greene County Transit Board
Greene County
2380 Bellbrook Avenue
Xenia, Ohio 45385

To the Board of Trustees:

Report on Compliance for the Major Federal Program

We have audited the Greene County Transit Board's (the Board) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Greene County Transit Board's major federal program for the year ended December 31, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Board's major federal program.

Management's Responsibility

The Board'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 Board's compliance for the Board's major federal program 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 Board'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 the Board's major program. However, our audit does not provide a legal determination of the Board's compliance.

Opinion on the Major Federal Program

In our opinion, the Greene County Transit Board complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

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Report on Internal Control Over Compliance

The Board'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 Board'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 the 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 Board'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 would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

August 17, 2018

GREENE COUNTY TRANSIT BOARD
GREENE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2017

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Federal Transit Formula Grants (CFDA 20.507)
(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?**	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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GREENE COUNTY TRANSIT BOARD

GREENE 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
SEPTEMBER 6, 2018