OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE COUNTY TRANSIT BOARD
DELWARE COUNTY
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Delaware County Transit Board
Delaware County
119 Henderson Court
Delaware, Ohio 43015

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Delaware County Transit Board, Delaware County, Ohio (the Board), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Delaware County Transit Board, Delaware County, Ohio as of December 31, 2023 and 2022, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Expenditures of Federal Awards 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2024

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(UNAUDITED)**

As management of the Delaware County Transit Board, Delaware County, Ohio (the Board), we offer readers of the Board's basic financial statements this narrative overview and analysis of the financial activities of the Board for the year ended December 31, 2023 and 2022. 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 basic financial statements taken as a whole.

Financial Highlights for 2023

The Board has a net position of $9,964,393. This net position results from the difference between total assets and deferred outflows of resources of $13,854,776 and total liabilities and deferred inflows of resources related to Pensions and OPEB of $3,890,383.

Current assets of $7,417,969 consist of non-restricted Cash and Cash Equivalents of $5,857,443; Intergovernmental/Accounts Receivable of $1,471,518; and prepaid of $89,008.

Current liabilities of $363,076 include Accounts Payable, Accrued Wages and related Payroll Accruals.

Financial Highlights for 2022

The Board has a net position of $8,938,961. This net position results from the difference between total assets and deferred outflows of resources of $11,679,011 and total liabilities and deferred inflows of resources related to Pensions and OPEB of $2,740,050.

Current assets of $6,650,529 consist of non-restricted Cash and Cash Equivalents of $6,190,751; Intergovernmental/Accounts Receivable of $379,952; and prepaid of $79,826.

Current liabilities of $273,488 include Accounts Payable, Accrued Wages and related Payroll Accruals.

Basic Financial Statements and Presentation

The 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, except land, over their estimated useful lives.

The Statement of Net Position presents information on all the Board's assets and liabilities, 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 financial 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 financial position.

The Statement of Revenues, Expenses and Changes in Net Position present 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 lists 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 its obligations in a timely manner. 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 and related 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 financial statements.

Net Position

The Board's net position reflects investments in capital assets consisting of buses, an operating facility, and equipment less accumulated depreciation. The Board uses these capital assets to provide public transportation services in Delaware County, Ohio and in adjacent areas. The table below provides a summary of the Board's net position:

(Table 1)
Delaware County Transit Board
Condensed Summary of Net Position
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Current Assets	$7,417,969	$6,650,529	$4,911,334
Net Pension/OPEB Asset	57,875	412,303	243,617
Capital Assets (Net of Accumulated Depreciation)	4,585,280	3,996,948	4,026,684
Deferred Outflows of Resources-Pensions	1,574,616	577,956	367,738
Deferred Outflows of Resources-OPEB	219,036	41,275	169,567
Total Assets & Deferred Outflows	13,854,776	11,679,011	9,718,940
Current Liabilities	363,076	273,488	204,831
Long Term Sick Liability	40,764	42,777	40,815
Net Pension Liability	3,369,633	927,463	1,489,075
Net OPEB Liability	71,469	0	0
Deferred Inflows of Resources-Pensions	21,869	1,153,161	670,156
Deferred Inflows of Resources-OPEB	23,572	343,161	560,574
Total Liabilities & Deferred Inflows	3,890,383	2,740,050	2,965,451
Net Position			
Invested in Capital Assets	4,585,280	3,996,948	4,026,684
Unrestricted	5,379,113	4,942,013	2,276,805
Total Net Position	$9,964,393	$8,938,961	$6,753,489

During fiscal year 2023, the Board's current assets increased as we received federal COVID relief funds to support operations along with funds from a funding agreement with COTA. Asset values increased due to the addition of some Capital assets offset by annual depreciation expense. Increased liabilities related to Pension/OPEB adjustments had a negative impact.

During fiscal year 2022, the Board's current assets increased as we received federal COVID relief funds to support operations along with funds from a funding agreement with COTA. Asset values decreased due to annual depreciation expense offset by the addition of some Capital assets. Reduced liabilities related to Pension/OPEB adjustments had a positive impact.

Statement of Revenues, Expenses and Changes in Net Position

Table 2 reflects the changes in net position.

(Table 2)
Delaware County Transit Board
Condensed Summary of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2023, 2022, and 2021

Revenues:	**2023**	**2022**	**2021**
General Public Fares	$ 188,362	$ 129,261	$ 84,411
Special Transit Fares	610,918	626,277	350,423
Local Operating Funds	1,031,260	1,004,332	1,004,025
State Operating Funds	266,167	240,803	484,010
Federal Operating Funds	2,918,495	3,232,321	2,278,625
Other Operating Funds	0	0	11,797
Federal Capital Funds	891,376	380,984	0
Other Non-Operating Funds	136,890	15,735	20,741
Total Revenues	6,043,468	5,629,713	4,234,032
Expenses:			
Operating Expenses			
Labor	2,088,720	1,818,912	1,507,469
Fringe Benefits	1,405,588	425,983	(385,726)
Contract Services	466,252	207,923	222,189
Materials and Supplies	397,501	410,961	272,982
Utilities	46,820	37,003	32,117
Casualty and Liability Insurance	111,286	114,856	92,833
Miscellaneous	30,207	17,882	16,766
Depreciation Expense	471,662	410,721	403,635
Total Expenses	5,018,036	3,444,241	2,162,265
Change in Net Position During the Year	1,025,432	2,185,472	2,071,767
Net Position, Beginning of Year	8,938,961	6,753,489	4,681,722
Net Position, End of Year	$9,964,393	$8,938,961	$6,753,489

Financial Operating Results

During 2023, the Board's operating revenues exceed operating cost (excluding depreciation) by $468,828. This is a result of the Board receiving local support of $1,031,260 which was a payment from COTA to support transit operations. This payment was a result of a regional revenue agreement between the parties where the Board transferred available federal funds to COTA in exchange for local funds from COTA. For 2022 the Board also received increased federal support from COVID relief programs. These funds support public transit operations at a 100% funding level, to help ensure continued services to the public.

State support increased and general public fares were higher as ridership continued to recover, which had been impacted by the national health crisis. Operating expenses show increased wages. Fringe Benefit costs were impacted due to higher long-term pension recognition costs. Materials and supplies were lower reflecting decreased fuel prices. Casualty and liability insurance costs were down slightly. Other expenses increased but remained relatively low.

During 2022, the Board's operating revenues exceed operating cost (excluding depreciation) by $2,199,474. This is a result of the Board receiving local support of $1,004,332 which was a payment from COTA to support transit operations. This payment was a result of a regional revenue agreement between the parties where the Board transferred available federal funds to COTA in exchange for local funds from COTA. For 2022 the Board also received increased federal support from COVID relief programs. These funds support public transit operations at a 100% funding level, to help ensure continued services to the public.

State support decreased and special transit fares were higher as ridership continued to recover, which had been impacted by the national health crisis. Operating expenses show increased wages as pay rates were raised during the year to be more competitive in a tight labor market. Fringe Benefit costs were impacted due to lower long-term pension recognition costs. Materials and supplies were higher reflecting increased fuel prices as well as increased use. Casualty and liability insurance costs were up as our services increased. Other expenses remained relatively stable.

Management notes that in March of 2020 the Governor of the State of Ohio issued a stay-at-home directive that had a negative impact on ridership and impacted operating costs. Congress provided funding for public transit systems through the federal CARES Act that provides additional funding which will be used to support public transit through the national crisis, as well as the possible longer term economic downturn. The Board does not expect any financial challenge related to this.

In early 2021 Congress passed additional funding for public transit through the American Recovery Program (ARP) which were used in 2022 & 2023 and will be used in future years by the Board to support public transit operations and the local recovery efforts from the national health crisis.

Management is not aware of any known facts, decisions, or conditions that will significantly affect equity or the results for future operations.

Capital Assets

At the end of fiscal year 2023, the Board had $7,223,564 invested in land, operating facility, revenue vehicles, and equipment. Table 3 shows fiscal year 2023 balances in comparison to fiscal years 2022 and 2021 balances.

(Table 3)
Delaware County Transit Board
Statement of Capital Assets
For the Years Ended December 31, 2023, 2022, and 2021

	2023	2022	2021
Non-Depreciable Capital Assets			
Land	$ 325,507	$ 325,507	$ 325,507
Depreciable Capital Assets			
Facilities & Structures	2,859,068	2,859,068	2,838,263
Revenue Vehicles	3,637,852	2,628,858	2,334,754
Furniture, Equipment, and TE	401,137	350,137	284,061
Total Depreciable Capital Assets	6,898,057	5,838,063	5,457,078
Total Cost	$7,223,564	$6,163,570	$5,782,585
Accumulated Depreciation			
Facilities & Structures	(588,294)	(495,450)	(403,992)
Revenue Vehicles	(1,775,837)	(1,442,717)	(1,154,033)
Furniture, Equipment, & TE	(274,153)	(228,455)	(197,876)
Total Depreciation	(2,638,284)	(2,166,622)	(1,755,901)
Net Value	$ 4,585,280	$ 3,996,948	$ 4,026,684

Request for Information

This financial report is designed to provide a general overview of the Board's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Executive Director, Delaware County Transit Board, 119 Henderson Court, Delaware, Ohio 43015.

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DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

STATEMENT OF NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Assets	**2023**	**2022**
Current Assets:		
Cash on Deposit	$ 5,857,443	$ 6,190,751
Accounts Receivable	22,603	31,680
Intergovernmental Receivable	1,448,915	348,272
Prepaids	89,008	79,826
Total Current Assets	7,417,969	6,650,529
Non-Current Assets:		
Net Pension Asset	57,875	80,168
Net OPEB Asset	-	332,135
Property, Facilities and Equipment		
Land - Non Depreciable	325,507	325,507
Facilities & Structures	2,859,068	2,859,068
Revenue Vehicles	3,637,852	2,628,858
Furniture & Equipment	356,450	305,450
Transit Enhancements	44,687	44,687
Subtotal	7,223,564	6,163,570
Less Accumulated Depreciation	(2,638,284)	(2,166,622)
Total Property, Facility and Equipment (net of accumulated depreciation)	4,585,280	3,996,948
Total Non-Current Assets	4,643,155	4,409,251
Deferred Outflows of Resources - Pensions	1,574,616	577,956
Deferred Outflows of Resources - OPEB	219,036	41,275
Total Assets and Deferred Outflows of Resources	$ 13,854,776	$ 11,679,011
Liabilities		
Current Liabilities		
Accounts Payable	141,637	74,709
Accrued Payroll, Withholdings, & Taxes	44,146	42,335
Accrued Leave Payable	177,293	156,444
Total Current Liabilities	363,076	273,488
Long Term Sick Liability	40,764	42,777
Net Pension Liability	3,369,633	927,463
Net OPEB Liability	71,469	-
Total Liabilities	3,844,942	1,243,728
Deferred Inflows of Resources - Pensions	21,869	1,153,161
Deferred Inflows of Resources - OPEB	23,572	343,161
Net Position		
Investments in Capital Assets	4,585,280	3,996,948
Unrestricted	5,379,113	4,942,013
Total Net Position	9,964,393	8,938,961
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 13,854,776	$ 11,679,011

See Accompanying Notes to the Basic Financial Statements

DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Operating Revenues		
General Public Fares	$ 188,362	$ 129,261
Special Transit Fares	610,918	626,277
Local Operating Funds	1,031,260	1,004,332
State Operating Funds	266,167	240,803
Federal Operating Funds	2,918,495	3,232,321
Total Operating Revenues	5,015,202	5,232,994
Operating Expenses		
Labor	2,088,720	1,818,912
Fringe Benefits	1,405,588	425,983
Contract Services	466,252	207,923
Materials & Supplies	397,501	410,961
Utilities	46,820	37,003
Casualty & Liability Insurance	111,286	114,856
Miscellaneous Expenses	30,207	17,882
Total Operating Expenses	4,546,374	3,033,520
Operating Gain Excluding Depreciation	468,828	2,199,474
Depreciation	471,662	410,721
Operating Gain	(2,834)	1,788,753
Non-Operating Revenues		
Federal Grant - Capital	891,376	380,984
Other Non-Operating Income	136,890	15,735
Total Non-Operating Revenue	1,028,266	396,719
Net Gain	1,025,432	2,185,472
Net Position, Beginning of Year	8,938,961	6,753,489
Net Position, End of Year	$ 9,964,393	$ 8,938,961

See Accompanying Notes to the Basic Financial Statements

DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Operating Activities		
Cash Received From Customers	$ 3,923,636	$ 5,176,161
Cash Payments - Suppliers for Goods & Services	(994,320)	(802,139)
Cash Payments - Employees for Wages & Fringes	(3,230,896)	(2,747,578)
Net Cash Provided (Used) by Operating Activities	(301,580)	1,626,444
Non-Capital Financing Activities		
Non-Transit Funds	136,892	15,735
Net Cash Provided by Non-Capital Financing Activities	136,892	15,735
Capital and Related Financing Activities		
Purchase of Equipment & Furniture	(51,002)	(66,076)
Purchase of Revenue Vehicles	(1,008,994)	(294,104)
Purchase of Renovation Services	-	(20,805)
Federal Capital Funds	891,376	380,984
Net Cash Provided (Used) by Capital and Related Financing Activities	(168,620)	(1)
Net Decrease in Cash and Cash Equivalents	(333,308)	1,642,178
Cash and Cash Equivalents at Beginning of Year	6,190,751	4,548,573
Cash and Cash Equivalents at End of Year	$ 5,857,443	$ 6,190,751

Reconciliation of Operating Gain to Net Cash Used in Operating Activities

	2023	2022
Operating Gain	$ (2,834)	$ 1,788,753
Adjustments to Reconcile Operating Gain to Net Cash Used in Operating Activities		
Depreciation	471,662	410,721
Changes in Assets, Liabilities, and Deferrals:		
(Increase) / Decrease in Prepaid Items	(9,182)	(40,184)
(Increase) / Decrease in Accounts/Intergovernmental Receivables	(1,091,566)	(56,833)
Increase / (Decrease) in Accounts Payable	66,928	26,670
Increase / (Decrease) in Accrued Payroll, Benefits & Leave	20,647	43,949
Increase / (Decrease) in Net Pension/OPEB Assets	354,428	(168,686)
Increase / (Decrease) in Net Pension/OPEB Liabilities	2,513,639	(561,612)
(Increase) / Decrease in Deferred Outflows - Pensions/OPEB	(1,174,421)	(81,926)
(Decrease) / Increase in Deferred Inflows - Pensions/OPEB	(1,450,881)	265,592
Net Cash Provided be Operating Activities	$ (301,580)	$ 1,626,444

See Accompanying Notes to the Basic Financial Statements

1. DESCRIPTION OF ENTITY AND REPORTING ENTITY

Description of Entity - The Delaware County Transit Board (Board), is a County Transit Board established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. It was created pursuant to Section 306.01 of the Ohio Revised Code. The Board is not subject to federal or state income taxes.

The Board is directed by a 7 member Board of Trustees and they are appointed by the Delaware County Commissioners. The Board is responsible for the safe and efficient operation and maintenance of regional transportation within Delaware County.

The Board began using the name Delaware County Transit Board instead of Delaware Area Transit Agency during 2019 to better reflect the organization structure and to rebrand the organization.

Reporting Entity - The Board complies with the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB) 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 Statement No. 14, the Board has no component units. The Board is, however, considered to be a related organization of Delaware County by virtue of the fact that the Board of Trustees is appointed by the County Commissioners.

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 for 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Board's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses and Changes in Net Position, and a Statement of Cash Flows. The Board follows 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 income, financial position, and cash flows. All transactions are accounted for in a single enterprise fund.

Non-exchange Transactions - The Board complies with the provisions of Statement No. 33 of the Governmental Accounting Standards Board (GASB) regarding the Accounting and Financial Reporting for Non-exchange Transactions. This statement requires that capital contributions be recognized as revenue. No capital contributions were received, and no related revenue was recognized as revenue in the Statement of Revenues, Expenses and Changes in Net Position for the Board.

The Board will continue applying all applicable pronouncements issued by the GASB.

Cash and Cash Equivalents - Cash and cash equivalents are carried at cost, which approximates fair value. Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are reported as cash on deposit on the financial statements.

Investments – The Board maintains all available funds on deposit with financial institutions with amounts on deposit protected by FDIC coverage or through a public fund depository agreement. The investment policy prohibits any type of investing that would be considered risky.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Materials and Supplies Inventory - Materials and supplies (including fuel) are purchased as needed and no parts or fuel inventory are maintained.

Estimates - 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 reported amounts of assets, liabilities, revenues and expenses, at and during the reported period. Actual results could differ from those estimates.

Property, Facilities and Equipment - Property, facilities and equipment are stated at historical cost. The cost of maintenance and repairs is charged to operations as incurred. The Board maintains a capitalization threshold of $5,000.

Depreciation - Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Description	Years
Building and improvements	5 - 40
Land improvements	5 - 20
Transportation equipment	2 - 12
Other equipment	2 - 15

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Board, deferred outflows of resources are reported for pension and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Board, deferred inflows of resources include pension and OPEB.

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

Net Position - Equity is displayed in two components as follows:

Invested in Capital Assets - This consists of capital assets, net of accumulated depreciation.

Unrestricted - This consists of net position that does not meet the definition of restricted or invested in capital assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues and Expenses - The Board has classified its revenues as either operating or non-operating. Operating revenues are those revenues that are generated directly from the primary activities. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the Board. Revenues and expenses not meeting this definition are reported as non-operating.

Recognition of Revenue and Receivables - The Federal Transit Administration (FTA) and the Ohio Department of Transportation (ODOT) provide financial assistance and make allocations directly to the Board for operations and acquisition of property and equipment. 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 recorded 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.

When assets acquired with capital grants funds are disposed of, the Board is required to notify the granting 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 remitted to the granting agency.

Accrued Leave Payable - The Board offers employees paid leave time (Leave) in the form of vacation, holiday pay, and sick leave. Vacation and holiday benefits are accrued as a current liability as the benefits are attributable to services already rendered and it is probable the Board will compensate employees for the benefits through time off or some other means. Employees earn paid leave time off based on actual hours worked and are allowed to carry forward time earned. They are not eligible for payment of unused sick hours until they have reached 10 years of service and the payout is capped at 25% of a maximum of 240 hours. Sick pay is expensed as used. Employees are paid for 100% of unused vacation and holiday upon separation of service. An annual accrual for leave balances at year end is made to the extent that it is probable that benefits will result in future payments. The Board records accrued vacation and holiday time as a short term liability as it is probable the time will be used within the following 12 months. The Board records the value of eligible unused sick time as a long term liability for those employees who have reached the required 10 years of service as those benefits are not expected to be paid out until the death or eligible retirement of the employee, see Note 8.

3. EQUITY IN CASH AND DEPOSITS

The Board had bank balance and carrying amount of $385,397 and $6,190,751 respectively at December 31, 2023 and 2022, with financial institutions authorized to accept public funds. Of the bank balance at December 31, 2023, $250,000 was covered by federal depository insurance and $135,397 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Board's name.

Custodial credit risk is the risk that in the event of bank failure, the Board's deposits may not be returned to it. The Board has no deposit policy for custodial risk beyond the requirements of State statute. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds on deposit with that specific institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

3. EQUITY IN CASH AND DEPOSITS (Continued)

Protection of the Board's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by the financial institutions' participation in the Ohio Pooled Collateral System (OPCS), a

collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2023, the Board had excess funds of $5.47 million invested in STAR Ohio. STAR 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. BCRTA 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 a NAV per share that approximates fair value.

STAR Ohio's investments are not exposed to custodial credit risk, as defined by GASB Statement No. 40. Securities in STAR Ohio are insured, registered, held by STAR Ohio, or held in a specific trust account designated for STAR Ohio.

Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice to PFA is appreciated for deposits and withdrawals of $100 million or more. STAR Ohio reserves the right to limit the transactions to $250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

4. DEFINED BENEFIT PENSION PLANS

Net Pension Liability (Asset)

The net pension liability (asset) reported on the statement of net position represents a liability (asset) 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 (asset) represents the Authority'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 (asset) 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.

4. DEFINED BENEFIT PENSION PLANS (Continued)

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

GASB 68 assumes the liability (asset) 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.

Plan Description - Ohio Public Employees Retirement System (OPERS)

The Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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 GASB Statement 75. See OPERS' ACFR 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. Interested parties may obtain a copy by visiting https://www.opers.org/financial/reports.shtml by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

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 State and Local group under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS' ACFR referenced above for additional information):

4. 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, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

Funding Policy - Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. Effective July 1, 2022, OPERS increased the portion of the 14% employer contribution rate allocated to health care funding from 0.0% to 2.0% for the Combined Plan. The employer contribution as a percent of covered payroll deposited for Member-Directed Plan health care accounts for 2022 was 4.0%.

The member and employer contribution rates for the State and Local divisions are currently set at the maximums authorized by the ORC of 10% and 14%, respectively.

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2022, the Board adopted the contribution rates recommended by the actuary. The contribution rates were included in a funding policy adopted by the Board in October 2013, and are certified periodically by the Board as required by the ORC.

Statutory Maximum Contribution Rates	2023 State and Local	2022 State and Local
Employer	14.0%	14.0%
Employee	10.0%	10.0%

4. DEFINED BENEFIT PENSION PLANS (Continued)

As of December 31, 2022, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 16 years.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was $335,695 for 2023, and $287,748 for 2022.

Net Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability (asset) was based on the Authority'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 expense:

2022 OPERS	Traditional Plan	Combined Plan
Proportionate Share of the Net Pension Liability (Asset)	$3,369,633	($57,875)
Proportion of the Net Pension Liability	0.011407%	0.024556%
Proportionate Share of the Employer Pension Expense	$663,826	$8,397

2021 OPERS	Traditional Plan	Combined Plan
Proportionate Share of the Net Pension Liability (Asset)	$927,463	($80,168)
Proportion of the Net Pension Liability	0.010660%	0.020347%
Proportionate Share of the Employer Pension Expense	$(15,438)	$(3,199)

4. DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources - Pensions			
Difference between expected and actual experience	$111,925	$3,558	$115,483
Change in Assumptions	35,598	3,832	39,430
Difference between projected and actual earning on pension plan investments	960,451	21,092	981,543
Change in Proportions	100,314	2,151	102,465
Board's contributions subsequent to the measurement date	314,439	21,256	335,695
Total Deferred Outflows of Resources - Pensions	$1,522,727	$51,889	$1,574,616
Deferred Inflows of Resources - Pensions			
Differences between expected and actual experience	$0	$8,269	$8,269
Changes in proportion	0	13,600	13,600
Total Deferred Inflows of Resources - Pensions	$0	$21,869	$21,869

The reported $335,695 as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2024.

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

	Traditional Plan	Combined Plan
Year Ending December 31:		
2023	$205,245	($807)
2024	249,839	2,271
2025	282,708	3,721
2026	470,496	7,418
2027	0	(1,688)
Thereafter	0	(2,097)
Total	$1,208,288	$8,818

4. DEFINED BENEFIT PENSION PLANS (Continued)

At December 31, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources - Pensions			
Changes in assumptions	$115,978	$4,029	$120,007
Difference between expected and actual experience	47,281	497	47,778
Changes in proportion and differences in contributions	119,943	2,480	122,423
Board's contributions subsequent to the measurement date	270,268	17,480	287,748
Total Deferred Outflows of Resources - Pensions	$553,470	$24,486	$577,956
Deferred Inflows of Resources - Pensions			
Differences between expected and actual experience	$20,342	$8,967	$29,309
Difference between projected and actual earning on pension plan investments	1,103,184	17,187	1,120,371
Changes in proportion and differences in contributions	0	3,481	3,481
Total Deferred Inflows of Resources - Pensions	$1,123,526	$29,635	$1,153,161

The reported $287,748 as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2023.

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

	Traditional Plan	Combined Plan
Year Ending December 31:		
2022	($47,404)	($5,471)
2023	(358,025)	(7,486)
2024	(259,403)	(4,980)
2025	(175,491)	(3,734)
2026	0	(671)
Thereafter	0	(287)
Total	($840,324)	($22,629)

4. DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – Pensions

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability (asset) was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Combined Plan
Measurement and Valuation Date	December 31, 2022	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)	2.75%-8.25% (includes wage inflation at 2.75%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2023, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 3.00% Simple through 2023, then 2.05% Simple

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

Discount Rate - Pensions The discount rate used to measure the total pension liability was 6.9% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. 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 benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability (asset).

4. DEFINED BENEFIT PENSION PLANS (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the net pension liability or asset calculated using the discount rate of 6.9%, and the expected net pension liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

Board's Net Pension Liability (Asset) as of December 31, 2023	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Plan	$5,048	$3,370	$1,974
Combined Plan	($30)	($58)	($80)
		(in thousands)	

Board's Net Pension Liability (Asset) as of December 31, 2022	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Plan	$2,445	$927	$336
Combined Plan	($60)	($80)	($96)
		(in thousands)	

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other Investments	5.00	3.27
TOTAL	100.00%	

4. DEFINED BENEFIT PENSION PLANS (Continued)

The following table displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return.

Asset Class	Target Allocation for 2021	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other Investments	4.00	2.85
TOTAL	100.00%	

The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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

5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Net OPEB Liability (Asset)

The OPERS health care plans are reported as other post-employment benefit plans (OPEB) based on the criteria established by the Governmental Accounting Standards Board (GASB) Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” The net OPEB liability or asset reported on the statement of net position represents a liability or asset to employees for OPEB. OPEB is a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

Ohio Revised Code limits the Authority’s obligation for this liability (asset) to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including OPEB.

GASB 75 assumes the liability or asset is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Excess amounts are presented as a long-term OPEB asset. Any liability for the contractually required OPEB contribution outstanding at the end of the year is included in payables on both the accrual and modified accrual bases of accounting.

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes were effective January 1, 2022 and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The total OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year.

The Board's proportion of the net OPEB liability (asset) was based on the Board's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	2022 OPERS
Proportion of the Net OPEB Liability Current Measurement Date	0.011335%
Proportionate Share of the Net OPEB Liability (Asset)	71,469
OPEB Expense	($89,497)

	2021 OPERS
Proportion of the Net OPEB Liability Current Measurement Date	0.01064%
Proportionate Share of the Net OPEB Liability (Asset)	($332,134)
OPEB Expense	($237,509)

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

At December 31, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources - OPEB	
Difference between expected and actual experience	$0
Changes in assumptions	69,806
Difference between projected and actual investment earnings	141,941
Changes in proportion and differences in contributions	3,038
Board's contributions subsequent to the measurement date	4,251
Total Deferred Outflows of Resources - OPEB	$219,036
Deferred Inflows of Resources - OPEB	
Differences between expected and actual experience	$17,828
Changes in assumptions	5,744
Difference between projected and actual earning on OPEB plan investments	0
Changes in proportion and differences in contributions	0
Total Deferred Inflows of Resources - OPEB	$23,572

The reported $4,251 as deferred outflows of resources related to OPEB resulting from the Board's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023.

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:	
2023	$26,297
2024	52,085
2025	44,262
2026	68,569
2027	0
Thereafter	0
Total	$191213

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

At December 31, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS
Deferred Outflows of Resources - OPEB	
Difference between expected and actual experience	$0
Changes in assumptions	0
Changes in proportion and differences in contributions	38,537
Board's contributions subsequent to the measurement date	2,738
Total Deferred Outflows of Resources - OPEB	$41,275
Deferred Inflows of Resources - OPEB	
Differences between expected and actual experience	$50,380
Changes in assumptions	134,444
Difference between projected and actual earning on OPEB plan investments	158,338
Changes in proportion and differences in contributions	0
Total Deferred Inflows of Resources - OPEB	$343,161

The reported $2,738 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2022.

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:	
2022	$(176,259)
2023	(71,029)
2024	(34,596)
2024	(22,740)
2026	0
Thereafter	0
Total	$(304,624)

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

Actuarial Assumptions – OPEB

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

Projections of health care costs for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022

The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2021
Rolled-Forward Measurement Date	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age
Actuarial Assumptions	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.50% initial, 3.50% ultimate in 2036

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

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

Discount Rate - OPEB A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability/(Asset) to Changes in the Discount Rate and Health Care Trend Rate The following tables present the OPEB liability/(asset) calculated using the single discount rate of 6.00% for the year ending December 31, 2022 and 6.00% for the year ending December 31, 2021; and the expected net OPEB liability (asset) if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

As of December 31, 2023	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Board's Net OPEB Liability (Asset)	$243	$71	($70)
		(in thousands)	

As of December 31, 2022	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Board's Net OPEB Liability (Asset)	($195)	($332)	($446)
		(in thousands)	

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability/(asset) if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate. Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.22%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

As of December 31, 2023	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's Net OPEB Liability/Asset	$67	$71 (in thousands)	$77

As of December 31, 2022	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Board's Net OPEB Liability	($336)	($332) (in thousands)	($328)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined pension plans. Health care is a discretionary benefit. Best estimates of arithmetic rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation for 2022	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
REITs	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other Investments	6.00	1.84
TOTAL	100.00%	

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

5. OTHER POSTEMPLOYMENT BENEIFT (OPEB) PLANS (Continued)

The table below displays the Board-approved asset allocation policy for 2021 and the long-term expected real rates of return:

Asset Class	Target Allocation for 2021	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	1.07%
Domestic Equities	25.00	5.64
REITs	7.00	6.48
International Equities	25.00	7.36
Risk Parity	2.00	2.92
Other Investments	9.00	1.93
TOTAL	100.00%	

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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

6. RISK MANAGEMENT

For both FY2023 and FY2022, the Board participated in the Ohio Transit Risk Pool Association, (OTRP), related to its risk of property and casualty loss. Under this plan, the Board receives property and casualty loss coverage in exchange for premiums paid. OTRP retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess insurance and reinsurance contracts. Per-occurrence retention for auto physical damage was $250,000 and the per-occurrence retention for commercial property damage was $100,000. OTRP’s per-occurrence retention for liability claims (including auto liability, public officials’ liability, and general liability) was $2,000,000. OTRP’s per-occurrence retention for crime and fidelity coverage was $100,000. OTRP’s per-occurrence retention for boiler and machinery was $50,000. For each per-occurrence claim within OTRP’s self-insured retention, the Board is charged a deductible. Per occurrence, reinsurance coverage is maintained by OTRP equal to approximately $250,000,000 for qualified property losses and $10,000,000 for qualified casualty losses. Any underfunding of the plans liabilities is shared pro-rata by the members based on pool contribution factors comprised of population, full-time employees, vehicles, property values, budget, claims history times two and net operating expenses.

6. RISK MANAGEMENT (Continued)

The Board continues to carry 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 in any of the past three fiscal years. There has not been a significant reduction in insurance coverage from the previous fiscal year.

7. CAPITAL ASSETS

2023	January 1, 2023	Additions	Deletions	December 31, 2023
Non-Depreciable Capital Assets				
Land	$ 325,507	$ -	$ -	$ 325,507
Total Non- Depreciable Assets	325,507	-	-	325,507
Depreciable Capital Assets				
Facilities & Structures	2,859,068	-	-	2,859,068
Revenue Vehicles	2,628,858	1,008,994	-	3,367,852
Furnishings, Equipment, & TE	350,137	51,000	-	401,137
Total Depreciable Capital Assets	5,838,063	1,059,994	-	6,898,057
Total Cost	$ 6,163,570	$ 1,059,994	-	$ 7,223,564
Accumulated Depreciation				
Facilities & Structures	(495,450)	(92,844)	-	(588,294)
Revenue Vehicles	(1,442,717)	(333,120)	-	(1,775,837)
Furnishings, Equipment, & TE	(228,455)	(45,698)	-	(274,153)
Total Depreciation	$ (2,166,622)	$ (471,662)	-	$ (2,138,284)
Net Value	$ 3,996,948	$ 588,332	-	$ 4,585,280

7. CAPITAL ASSETS (Continued)

2022	January 1, 2022	Additions	Deletions	December 31, 2022
Non-Depreciable Capital Assets				
Land	$ 325,507	$ -	$ -	$ 325,507
Total Non- Depreciable Assets	325,507	-	-	325,507
Depreciable Capital Assets				
Facilities & Structures	2,838,263	20,805	-	2,859,068
Revenue Vehicles	2,334,754	294,104	-	2,628,858
Furnishings, Equipment, & TE	284,061	66,076	-	350,137
Total Depreciable Capital Assets	5,457,078	380,985	-	5,838,063
Total Cost	$ 5,782,585	$ 380,985	-	$ 6,163,570
Accumulated Depreciation				
Facilities & Structures	(403,992)	(91,457)	-	(495,450)
Revenue Vehicles	(1,154,032)	(288,685)	-	(1,442,717)
Furnishings, Equipment, & TE	(197,876)	(30,579)	-	(228,455)
Total Depreciation	$ (1,755,901)	$ (410,721)	-	$ (2,166,622)
Net Value	$ 4,026,684	$ (29,736)	-	$ 3,996,948

8. LONG-TERM SICK LIABILITY

The Board allows employees with 10 or more years of service to be paid out for unused sick leave upon retirement or death at a rate of 25% of up to 240 hours of time. During 2023 the amount of this liability decreased from $42,777 to $40,764, a decrease of $2,013. None of this is anticipated to be paid out during the next fiscal year. During 2022 the amount of this liability increased from $40,815 to $42,777, an increase of $1,962.

9. CONTINGENT LIABILITIES

For the period January 1, 2022, to December 31, 2023, the Board received federal grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Board believes such disallowance, if any, would be immaterial.

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DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – PENSION/OPEB

Schedule of the Board's Proportionate Share of Net Pension Liability (Asset)
Last Nine Fiscal Years

Traditional Plan:	2023	2022	2021	2020	2019
Board's Proportion of the Net Pension Liability	0.011407%	0.010660%	0.010056%	0.009081%	0.009130%
Board's Proportionate Share of the Net Pension Liability/(Asset)	$3,369,633	$927,463	$1,489,075	$1,794,921	$2,500,522
Board's Covered Employee Payroll	$2,245,996	$1,930,487	$1,547,042	$1,275,918	$1,215,229
Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	150.03%	48.04%	96.25%	140.68%	205.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

Traditional Plan:	2018	2017	2016	2015
Board's Proportion of the Net Pension Liability	0.009637%	0.009482%	0.008558%	0.006896%
Board's Proportionate Share of the Net Pension Liability/(Asset)	$1,511,858	$2,213,798	$1,480,932	$831,745
Board's Covered Employee Payroll	$1,152,850	$1,220,699	$1,090,287	$871,774
Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	131.14%	181.35%	135.83%	95.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	77.25%	81.08%	86.45%

Note: Amounts presented as of the Board's measurement date which is the prior year. Although this schedule is intended to show information for ten years, information prior to 2015 is not available.

Note – There were no significant changes of benefit terms in 2023.
Note – There were no significant changes in assumptions in 2023.

DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – PENSION/OPEB

Schedule of the Board's Proportionate Share of Net Pension Liability (Asset)
Last Nine Fiscal Years

Combined Plan:	2023	2022	2021	2020	2019
Board's Proportion of the Net Pension Liability	0.024556%	0.020347%	0.021689%	0.018738%	0.018624%
Board's Proportionate Share of the Net Pension Liability/(Asset)	$(57,875)	$(80,168)	$(62,608)	$(39,073)	$(20,826)
Board's Covered Employee Payroll	$151,878	$124,855	$92,761	$83,414	$78,228
Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-38.11%	-64.21%	-67.49%	-46.84%	-26.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%	126.64%

Combined Plan:	2018	2017	2016	2015
Board's Proportion of the Net Pension Liability	0.018824%	0.024125%	0.018470%	0.014598%
Board's Proportionate Share of the Net Pension Liability/(Asset)	$(25,626)	$(15,876)	$(8,709)	$(15,876)
Board's Covered Employee Payroll	$74,703	$73,864	$58,456	$46,740
Board's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-34.30%	116.55%	181.35%	-21.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.28%	114.83%	116.90%	114.83%

Note: Amounts presented as of the Board's measurement date which is the prior year. Although this schedule is intended to show information for ten years, information prior to 2015 is not available.

Note – There were no significant changes of benefit terms in 2023.
Note – There were no significant changes in assumptions in 2023.

DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – PENSION/OPEB

Schedule of the Board's Contributions
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$335,695	$287,748	$229,573	$211,660	$190,307
Contributions in Relation to the Contractually Required Contribution	$335,695	$287,748	$229,573	$211,660	$190,307
Contribution Deficiency (Excess)	-	-	-	-	-
Board's Covered-Employee Payroll	$2,397,824	$2,055,343	$1,639,807	$1,518,907	$1,359,328
Contribution as a Percentage of Covered-Employee Payroll	14%	14%	14%	14%	14%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$181,084	$159,582	$135,880	$164,088	$130,251
Contributions in Relation to the Contractually Required Contribution	$181,084	$159,582	$135,880	$164,088	$130,251
Contribution Deficiency (Excess)	-	-	-	-	
Board's Covered-Employee Payroll	$1,293,457	$1,227,553	$1,132,333	$1,367,400	$1,085,425
Contribution as a Percentage of Covered-Employee Payroll	14%	13%	12%	12%	12%

Note: Amounts presented as of the Board's measurement date which is the prior year.

REQUIRED SUPPLEMENTARY INFORMATION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – PENSION/OPEB

Schedule of the Board's Proportionate Share of Net OPEB Liability (Asset)
Last Seven Fiscal Years

Traditional Plan:	2023	2022	2021	2020	2019
Board's Proportion of the Net OPEB Liability	0.011335%	0.010604%	0.010160%	0.009211%	0.009438%
Board's Proportionate Share of the Net OPEB Liability/(Asset)	$71,469	$(332,134)	$(181,009)	$1,272,278	$1,230,492
Board's Covered Employee Payroll	$2,245,991	$1,930,487	$1,547,046	$1,359,328	$1,293,457
Board's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.18%	-17.20%	-11.70%	93.60%	95.13%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%

Traditional Plan:	2018	2017
Board's Proportion of the Net OPEB Liability	0.009100%	0.009851%
Board's Proportionate Share of the Net OPEB Liability/(Asset)	$1,076,153	$1,000,944
Board's Covered Employee Payroll	$1,227,553	$1,294,563
Board's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	87.67%	77.31%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.05%

Note: Amounts presented as of the Board's measurement date which is the prior year. Although this schedule is intended to show information for ten years, information prior to 2017 is not available.

Note – There were no significant changes of benefit terms in 2023.
Note – There were no significant changes in assumptions in 2023.

REQUIRED SUPPLEMENTARY INFORMATION
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM – PENSION/OPEB

Schedule of the Board's Contributions - OPEB
Last Eight Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution	$4,251	$2,738	$551	$987	$1,221
Contributions in Relation to the Contractually Required Contribution	$4,251	$2,738	$551	$987	$1,221
Contribution Deficiency (Excess)	-	-	-	-	-
Board's Covered-Employee Payroll	$2,397,824	$1,930,487	$1,547,046	$1,518,907	$1,359,328
Contribution as a Percentage of Covered-Employee Payroll	.2%	.1%	.1%	.1%	0%

	2018	2017	2016
Contractually Required Contribution	$12,237	$13,151	$22,646
Contributions in Relation to the Contractually Required Contribution	$2,237	$13,151	$22,646
Contribution Deficiency (Excess)	-	-	-
Board's Covered-Employee Payroll	$1,293,457	$1,227,553	$1,132,333
Contribution as a Percentage of Covered-Employee Payroll	0%	1%	2%

Note – Beginning in 2016, OPERS used a trust fund as the vehicle for all health care plans; therefore, information prior to 2016 is not presented. The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan.

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DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR *Pass Through Grantor* Program Title	Federal Assistance Listing Number	Pass Through Entity Identification Number	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Program			
Federal Transit Cluster:			
Federal Transit - Formula Grant	20.507	N/A	$ 1,737,025
COVID-19 Federal Transit Formula Grant	20.507	N/A	1,769,846
Total Federal Transit Cluster			3,506,871
Direct Program			
Transit Services Program Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	303,000
Total Transit Services Program Cluster:			303,000
Total U.S. Department of Transportation			3,809,871
Total Expenditures of Federal Awards			**$ 3,809,871**

The accompanying notes are an integral part of this schedule.

DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Delaware County Transit Board (the Board's) under programs of the federal government for the year ended December 31, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the 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 cash 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.

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – INDIRECT COST RATE

The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Delaware County Transit Board
Delaware County
119 Henderson Court
Delaware, Ohio 43015

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the business-type activities of the Delaware County Transit Board, Delaware County, (the Board) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated September 6, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2024

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Delaware County Transit Board
Delaware County
119 Henderson Court
Delaware, Ohio 43015

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Delaware County Transit Board's, Delaware County, (the Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Delaware County Transit Board's major federal program for the year ended December 31, 2023. Delaware County Transit Board's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Delaware County Transit Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

Keith Faber
Auditor of State
Columbus, Ohio

September 6, 2024

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DELAWARE COUNTY TRANSIT BOARD
DELAWARE COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

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 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 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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OHIO AUDITOR OF STATE
KEITH FABER

DELAWARE COUNTY TRANSIT BOARD

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 9/26/2024

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