

# **Central Ohio Transit Authority Franklin County, Ohio**

Independent Auditors' Reports on  
Internal Controls and Compliance  
and Schedule of Expenditures of Federal Awards  
and Agreed-Upon Procedures Report on Section 9 Certification

December 31, 2014





# Dave Yost • Auditor of State

Board of Trustees  
Central Ohio Transit Authority  
33 North High Street  
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Central Ohio Transit Authority, Franklin County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 14, 2015

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

Board of Trustees  
Central Ohio Transit Authority  
Columbus, Ohio 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Central Ohio Transit Authority (the Authority), which comprise the balance sheet as of December 31, 2014 and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated June 9, 2015.

**Internal Control Over Financial Reporting**

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

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

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

14 east main street, ste. 500  
springfield, oh 45502

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p. 937.399.2000  
f. 937.399.5433

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 9, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

Board of Trustees  
Central Ohio Transit Authority  
Columbus, Ohio 43215

**Report on Compliance for Each Major Federal Program**

We have audited Central Ohio Transit Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2014. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

14 east main street, ste. 500  
springfield, oh 45502

www.cshco.com  
p. 937.399.2000  
f. 937.399.5433

### **Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Authority as of and for the year ended December 31, 2014, and have issued our report thereon dated June 9, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 9, 2015

# CENTRAL OHIO TRANSIT AUTHORITY

## Schedule of Expenditures of Federal Awards Year Ended December 31, 2014

Grantor/Title:	CFDA #	Grant #	Federal Expenditures
<b>U. S. Department of Transportation</b>			
<b>Federal Transit Cluster</b>			
Federal Transit Administration (FTA):			
Urbanized Area Formula Program	20.507	OH-90-X706	\$ 52,606
	20.507	OH-90-X731	86,391
	20.507	OH-90-X767	1,162,068
	20.507	OH-90-X786	8,355,134
	20.507	OH-90-X829	2,611,742
	20.507	OH-90-X812	1,072,484
	20.507	OH-95-X160	1,074,117
	20.507	OH-95-X163	1,043,458
	20.507	OH-95-X174	<u>5,763,920</u>
Total Urbanized Area Formula Program			21,221,920
Capital Investment Program	20.500	OH-04-0089	308,095
Bus and Bus Facilities Formula Program	20.526	OH-34-0008	<u>1,384,097</u>
Total Federal Transit Cluster			<u>22,914,112</u>
<b>New Freedom</b>			
U. S. Department of Transportation -			
Federal Transit Administration (FTA):			
New Freedom Program	20.521	OH-57-X052	155,386
	20.521	OH-57-X063	<u>517,785</u>
Total New Freedom			<u>673,171</u>
<b>Clean Fuels</b>			
U. S. Department of Transportation -			
Federal Transit Administration (FTA):			
Clean Fuels Grant Program	20.519	OH-58-0057	<u>12,372</u>
Total Clean Fuels			<u>12,372</u>
<b>Alternative Analysis</b>			
U. S. Department of Transportation -			
Federal Transit Administration (FTA):			
Alternative Analysis/Planning Program	20.522	OH-39-0004	<u>19,235</u>
Total Alternative Analysis			<u>19,235</u>
<b>Total U.S. Department of Transportation</b>			<u><b>23,618,890</b></u>
<b>Total Federal Financial Assistance</b>			<u><b>\$ 23,618,890</b></u>

See notes to schedule of expenditures of federal awards.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2014**

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**1. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Authority. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

**2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

**3. RELATIONSHIP OF FEDERAL FINANCIAL REPORTS**

Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	None noted
Identification of major programs:	

*Federal Transit Cluster:*

- CFDA 20.507 – Urbanized Area Formula Grants
- CFDA 20.500 – Capital Investment Program Grants
- CFDA 20.526 – Bus and Bus Facilities Formula Program

Dollar threshold to distinguish between Type A and Type B programs:	\$708,567
Auditee qualified as low-risk auditee?	Yes

**Section II – Financial Statement Findings**

None noted

**Section III – Federal Awards Findings and Questioned Costs**

None noted

**Section IV – Summary of Prior Audit Findings and Questioned Costs**

None noted

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Trustees  
Central Ohio Transit Authority  
Columbus, Ohio 43215

We have performed the applicable procedures enumerated in the Federal Funding Allocation Statistics Form (FFA-10), which were agreed to by the Central Ohio Transit Authority (the Authority) and the Federal Transit Administration (FTA), solely to assist you in complying with the reporting requirements of the Declarations section of the *2014 Policy Manual*, for the year ended December 31, 2014. Management of the Authority is responsible for compliance with the requirements of the *Uniform System of Accounts (USOA) and Records and Reporting System, Final Rule*, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the *2014 Policy Manual*. The Authority's management is responsible for the Authority's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Authority and the FTA. Consequently, we make no representation regarding the sufficiency of the procedures in the attached appendix, either for the purpose for which this report has been requested or for any other purpose.

FTA has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form (FFA-10) of the Authority's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

The procedures were applied separately to each of the information systems used to develop the reported vehicle revenue miles, passenger miles and operating expenses of the Authority for the fiscal year ended December 31, 2014 for each of the following active modes:

- Motor Bus – Directly Operated
- Demand Response – Purchased Transportation

14 east main street, ste. 500  
springfield, oh 45502

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p. 937.399.2000  
f. 937.399.5433

The following information and findings came to our attention as a result of performing the procedures described in the attachment to this report:

*None Noted*

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the requirements of the Uniform System of Accounts And Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2014 Policy Manual for the year ended December 31, 2014. Accordingly we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report relates only to the information described above and does not extend to the Authority's financial statements taken as a whole, or the forms in the Authority's NTD report, other than the Federal Funding Allocation Statistics Form (FFA-10), for any date or period.

This report is intended solely for the information and use of the Authority's management, the Auditor of State of Ohio and the Federal Transit Administration and is not intended to be, and should not be, used by anyone other than these specified parties.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 9, 2015

## **Section 9 Certification – Agreed-Upon Procedures**

1. Discussed procedures related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2014 Policy Manual. If procedures were not written, discussed the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance.
2. Discussed the procedures with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data to determine:
  - The extent to which the transit agency followed the procedures on a continuous basis, and
  - Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, and January 15, 1993 and as presented in the 2014 Policy Manual.
3. Inquired of same person concerning the retention policy that is followed by the transit agency with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics Form (FFA-10).
4. Based on a description of Authority's procedures obtained in items 1 and 2 above, identified all the source documents which are to be retained by the Authority for a minimum of three years. For each type of source document, selected three months out of the year and observed that each type of document exists for each of these periods.
5. Discussed the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquired whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.
6. We did not review selected source documents to ascertain whether signatures were present as the Authority does not review hard copy documents. Data is prepared using the scheduling and Automatic Passenger Counters (APC) system. The annual analytical review is performed online by someone independent of the data entry in lieu of signatures. Evidence of this online review and other review of electronic reports was noted.
7. Obtained the worksheets utilized by the Authority to prepare the final data that is transcribed onto the Federal Funding Allocation Statistics (FFA-10) form. Compared the periodic data included on the worksheets to the periodic summaries prepared by the Authority. Tested the arithmetical accuracy of the summaries.
8. Discussed the Authority's procedures for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with the Authority's, noting that the Authority uses an estimate of passenger miles based on statistical sampling that meets the FTA's 95% confidence and 10% precision requirements. The Authority uses an alternative sampling procedure and, therefore, we inquired whether the procedure was approved by the FTA.
9. Discussed with transit agency staff the Authority's eligibility to conduct statistical sampling for PMT data every third year. Determined whether the Authority meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. However, the Authority has elected to conduct statistical samples on an annual basis.

10. Obtained a description of the sampling procedure for estimation of PMT data used by the Authority. We were informed that the Authority's sampling procedures for the estimation of passenger mile data is substantially as described in the Authority's letter, submitted to the FTA, dated April 27, 1987. We noted no exceptions to the stated sampling procedures described in the above letter.
11. Obtained the passenger mile sample information generated from the APC system and, based on this information, recalculated the passenger miles for the year ended December 31, 2014.
12. Discussed the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with Authority's staff, noting this requirement is not applicable to the Authority.
13. For actual vehicle revenue mile (VRM) data, documented the collection and recording methodology and determined that deadhead miles are systematically excluded from the computation.
14. Compared operating expenses with audited financial data, after reconciling items were removed.
15. Inquired of personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenues. Noted the PT fare revenues agreed to the amount reported on the Contractual Relationship form (B-30).
16. Obtained a copy of the PT contract and determined that the contract (1) specified the specific public transportation services to be provided; (2) specified the monetary consideration obligated by the transit agency contracting for the service; (3) specified the period covered by the contract and that this period overlaps the entire, or a portion of, the period covered by the Authority's NTD report; and (4) was signed by representatives of both parties to the contract. Inquired of the person responsible for the retention of the executed contract, and determined that copies of the contracts are retained for three years.
17. Compared the data reported on the Federal Funding Allocation Statistics Form (FFA-10) to comparable data for the prior period report year and calculated the percentage change from the prior year to the current year. Fluctuations greater than 10% were investigated and explained and reported to NTD.
18. The following 2014 Policy Manual Section 9 test procedures were not applicable to the Authority and , therefore, were not performed:
  - Reporting Manual Section 9 Data Certification Procedures; n, o, p, q, r, s, t, w, and y.



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**2014**

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**Comprehensive Annual  
Financial Report**

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FOR FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

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# INTRODUCTORY SECTION

**COTA**   
CENTRAL OHIO TRANSIT AUTHORITY  
cota.com   (614) 228-1776

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June 9, 2015

Board of Trustees of the  
Central Ohio Transit Authority and  
Residents of Central Ohio:

The Comprehensive Annual Financial Report (CAFR) of the Central Ohio Transit Authority (COTA) for the fiscal year ended Dec. 31, 2014, is hereby submitted. This CAFR was prepared by the Finance Division and represents COTA's commitment to provide accurate, concise and high-quality financial information to its Board of Trustees and stakeholders.

The CAFR contains financial statements and statistical data that provide full disclosure of all the material financial operations of COTA. The financial statements, supplemental schedules, statistical information and all data contained herein are the representations of COTA's management. COTA's management bears the responsibility for the accuracy and completeness of this CAFR.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to COTA for its comprehensive annual financial report for the fiscal year ended Dec. 31, 2013. This was the 25th consecutive year that COTA was recognized with the prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting the accompanying 2014 report to the GFOA to determine its eligibility for another certificate.

## LETTER OF TRANSMITTAL

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### REPORTING ENTITY

#### General

COTA is an independent political subdivision of the State of Ohio with its own taxing power. COTA is not dependent upon appropriations from Franklin County, the City of Columbus or any other political subdivision for local funding. COTA is empowered by the Ohio Revised Code to issue general obligation debt secured by its own taxing power.

The accompanying financial statements comply with the provisions of accounting principles generally accepted in the United States of America in that these financial statements include all of the organization, activities, functions and component units for which the Authority is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. COTA does not have financial accountability over any entities, and no governmental units other than COTA itself are included in the reporting entity. COTA is not included as a component unit in the reporting entity of any other governmental unit's financial statements. A complete discussion of COTA's reporting entity is included in footnote 1 of the financial statements.

COTA was created by an agreement executed on Feb. 17, 1971, with Franklin County and the cities of Bexley, Columbus, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington. In 2008, an amended agreement was executed, which added the city of Dublin to COTA. COTA's territorial boundaries are coterminous with Franklin County and small portions of Delaware, Fairfield, Licking and Union counties.

COTA's vision and mission statements are respectively:

*COTA will be the region's transportation leader.*

*COTA is committed to excellence in serving our stakeholders including customers, employees and taxpayers. We will deliver quality transportation services and conduct business courteously, safely, ethically and reliably. We will demonstrate leadership that is fiscally responsible and environmentally conscientious.*

These statements are the focus of all operations and support functions.

#### Management—Board of Trustees

COTA is governed by a Board of Trustees vested by Ohio law with the powers necessary to manage COTA. The legislation and agreements establish that COTA provide for a 13-member board serving overlapping three-year terms. Board membership is apportioned as follows: City of Columbus, seven members; Franklin County, two members; and four members prorated among the eleven municipal corporations including Bexley, Dublin, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington. The appointments of the members within the group are rotated among the municipal corporations. Members are appointed by the mayor of the appropriate municipal corporation with the consent of its city council. The Franklin County Board of Commissioners appoints the Franklin County representatives.

## LETTER OF TRANSMITTAL

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### REPORTING ENTITY (continued)

#### General (continued)

##### **Administration**

The President/CEO, who is appointed by the Board, directs the administration of COTA, subject to the policies and supervision of the Board. The President/CEO selects the senior leadership team. A Table of Organization depicting the key functional responsibilities is shown on page 11 of the introductory section.

##### **Transportation Services—Fixed-Route Bus Service**

COTA provides public transportation services within Franklin County as well as portions of Delaware, Fairfield, Licking and Union counties that are included within the municipal corporation limits of Columbus, Dublin, Westerville and Reynoldsburg. In 2014, service included 68 fixed-bus routes comprised of 19 Local, 11 Crosstown and 37 Express lines, as well as the CBUS®.

COTA makes adjustments to its fixed-route system three times a year. These changes occur in January, May and September. At the end of 2014, COTA operated 984,462 annualized service hours.

To address increasing customer needs for fixed-route bus service, service changes focus on four key areas of improvement: upgrades in service frequency, expanded service area coverage, expanded hours of operation and decreased travel times. Expanding and modernizing COTA's fleet of passenger coaches is an essential component toward initiating these improvements.

At the end of 2014, there were 340 fixed-route buses in COTA's fleet. All fixed-route transit buses purchased by COTA are powered by Compressed Natural Gas (CNG). A 12-year conversion program that began in 2013 will phase all diesel-powered, fixed-route buses out of the fleet, and all new buses acquired will be powered by CNG. As of December 31, 2014, 66 CNG buses were in COTA's fleet.

##### **Transportation Services—Paratransit Service**

*Mainstream* is a demand-response, shared-ride paratransit service available to individuals whose disabilities prevent them from accessing COTA's fixed-route bus system. Mainstream provides transportation when a customer's origin and destination addresses are within three-quarters of a mile of an operating fixed-route line. The contracted service for Mainstream operates during the same hours as fixed-route bus service. Individuals wishing to use the service must complete an eligibility process and obtain an Americans with Disabilities Act (ADA) ID card. Certified customers must maintain their eligibility by recertifying every three years. In 2014, Mainstream provided 258,293 passenger trips.

##### **Ridership**

COTA provided 19.3 million (fixed-route and paratransit) passenger trips in 2014. This represents a growth of more than 550,000 trips over 2013 and was the highest ridership since 1986. This growth is attributed to a number of factors including: introduction of the CBUS, a downtown circulator; COTA's ongoing service expansion program that added over 55,000 service hours in 2014; providing effective, responsive and valuable service to the region; and increased marketing efforts to introduce new riders to public transit.

## **Other Key Activities in 2014**

### **CBUS**

On Monday, May 5, 2014, COTA launched the CBUS, a Downtown circulator service designed to serve Downtown employees, residents and visitors. The CBUS is free to ride and travels from the Brewery District, through Downtown, to the Short North Arts District and back again. CBUS service connects riders to shopping, entertainment, residential and business districts, as well as the Greater Columbus Convention Center, Nationwide Arena and hotels. COTA purchased six uniquely branded 30' CNG buses for CBUS service.

### **New Downtown passenger shelters**

Throughout the spring and summer months, COTA constructed new Downtown passenger shelters on High Street, designed in partnership with the Columbus College of Art & Design (CCAD). The new shelters demonstrate COTA's commitment to providing customers with a clean and safe place out of the elements to wait for the bus, and reinforce COTA's investment in the revitalization of Downtown. The installation of the shelters was celebrated at a ribbon cutting on Wednesday, August 13, 2014, and featured Michael Young, the CCAD graduate who designed the shelters when he was a student.

### **40<sup>th</sup> Anniversary Community Stakeholder Luncheon**

On Wednesday, August 27, 2014, COTA hosted more than 450 community stakeholders for a luncheon featuring a keynote address from Therese McMillan, Acting Administrator of the Federal Transit Administration (FTA). The luncheon celebrated COTA's contributions to the community over its 40 year history and also kicked-off a conversation about the next generation of public transportation for Columbus and central Ohio, the NextGen project.

### **NextGen**

As the primary provider of public transit services in central Ohio, COTA is undertaking a long-range planning effort, COTA NextGen, to identify public transportation needs and opportunities for the next 35 years. Central Ohio's growth has been robust, and this growth is expected to continue into the future. Projections indicate that by 2050, the central Ohio region will grow by more than 500,000 residents and 300,000 jobs. This growth is accompanied by new expectations, preferences and priorities for how the community provides housing, locates jobs, develops entertainment and recreation amenities, and structures institutions. NextGen will consider how these trends will influence opportunities and demand for public transportation. The project is expected to be complete in spring 2016.

### **Reverse commute service to New Albany**

On Tuesday, September 2, 2014, COTA launched reverse commute service from Downtown Columbus and the Easton Transit Center to the New Albany International Business Park. A unique partnership with the City of New Albany connects commuters to employment sites inside the business park. Once employees arrive at the New Albany Park & Ride, they are transported the "last mile" to their jobs by SmartRide, a shuttle service provided by the City of New Albany. This service operates out of the newly constructed COTA Park & Ride located at 5202 Forest Drive, New Albany, OH.

This new reverse commute service demonstrates COTA's committed to utilizing public transportation resources in support of workforce development and expanding service to new and growing job centers. The New Albany International Business Park has experienced significant growth and boasts more than 12,000 jobs. However, employers have been challenged to recruit candidates to fill the jobs being created there.

## LETTER OF TRANSMITTAL

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### **Transit System Review and Redesign**

Since COTA began operating 40 years ago, the central Ohio region has changed tremendously. As COTA seeks to expand and improve, it is necessary to adapt service to meet the needs of the growing region. In 2014, COTA completed a Transit System Review with the goal of improving its bus network to meet the changing needs of the central Ohio region. The review, conducted by IBI Group, analyzed COTA's entire bus system and services, operating budget, use of technology, the road network and land use changes in central Ohio. Input was sought from the public and stakeholders throughout the process.

The resulting Transit System Redesign (TSR) will make COTA service more convenient and attractive to current and potential riders. The changes will significantly enhance service throughout the region by creating a grid-like network of very frequent bus lines, reducing the need to travel Downtown, improving service on major lines, increasing frequencies on nights and weekends, improving crosstown connections, consolidating underutilized Express service, and adding service to new destinations. Recommendations from the TSR are being implemented over a three year period, beginning in January 2015, and culminating with major changes being implemented in May 2017.

### **CMAX Cleveland Avenue Bus Rapid Transit project**

CMAX, the first BRT line in central Ohio, will transport riders between downtown Columbus north on Cleveland Avenue with its terminus at Polaris Parkway/Africa Road. The project includes high-frequency, limited stop service between downtown Columbus and SR-161 (10.3 mi.) and Enhanced Local Bus Service between SR-161 and Polaris. In 2014, COTA completed the Preliminary Design, Engineering & Environmental Clearance phase. The project moved into the Final Design phase in December 2014. CMAX is proposed to begin service in September 2017.

### **Facilities Owned**

**William J. Lhota Building**, 33 N. High St., is a 78,000 square-foot, 10-story office building in downtown Columbus which houses COTA's administrative and customer pass sales functions. The facility also serves as the Downtown coach operator sign-in station.

**McKinley Operations**, 1600 McKinley Ave., was constructed in 1980, and is the larger of COTA's two fixed-route bus operations and maintenance facilities. The 390,000 square-foot facility houses both heavy and light bus maintenance operations while providing an indoor storage capacity for 240 buses. COTA's customer information call center is also located at McKinley Operations. COTA is renovating the facility in three phases. Phase 3 began in 2014, and includes renovation of the building lobby, bus wash, operator dayroom and administrative offices.

**Fields Operations**, 1333 Fields Ave., opened in September 1984, and is a 283,000 square-foot facility with storage for 200 fixed-route buses and space for several light-maintenance work areas. Fields Operations, is the original facility on COTA's Fields Avenue Campus and was renovated in 2009.

**Mobility Services**, 1330 Fields Ave., opened in 2010 and is a 104,000 square-foot building. Located on COTA's Fields Avenue Campus and housing COTA's paratransit operations, the facility has a capacity for 104 paratransit, cutaway vehicles. All Mobility Services operations, including reservations, scheduling and dispatching, occur at the new facility. The facility features six vehicle maintenance bays, two fueling islands and a bus wash. It also houses a state-of-the-art eligibility assessment center.

## LETTER OF TRANSMITTAL

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**Street and Remote Operations**, 1325 Essex Ave., is a 12,000 square-foot facility on the Fields Avenue Campus. The building houses COTA's Street and Remote operations. In 2012, the facility was renovated and expanded so all support vehicles could be stored inside.

**Linden Transit Center**, 1390 Cleveland Ave., is a 20,500 square-foot facility located at the corner of Cleveland and 11<sup>th</sup> avenues. The transit center houses a Nationwide Children's Hospital "Close to Home" facility to provide neighborhood medical services, a daycare center and other amenities. Five Express lines and two Local lines serve the facility. Express lines serving the Linden Transit Center offer connections to job centers around the I-270 outerbelt such as the Polaris area and Easton.

**Easton Transit Center**, 4260 Stelzer Rd., is a 1,350 square-foot facility near Easton Town Center. The facility includes an 8,950 square-foot overhead canopy with four bus bays, 50-vehicle capacity Park & Ride lot, and adjacent 9,650 square-foot daycare center operated by an independent provider, leasing the space from COTA. Two Express, one Local and two Crosstown lines serve the Easton Transit Center. COTA's new reverse commute line serving the New Albany International Business Park serves the Easton Transit Center.

**Spring Street Terminal**, 33 W. Spring St., is an outdoor facility located on Spring Street between High and Front streets in downtown Columbus. The terminal has six bus bays. One Local and seven Express lines use the terminal to serve commuters in the north Downtown area. In 2014 the Spring Street Terminal was renovated to handle CNG buses. An indoor waiting area and ticket vending machine were also added to the facility.

**Near East Transit Center**, 1125 E. Main St., is a 9,600 square-foot facility located at East Main Street and Champion Avenue in the Columbus Empowerment Zone, an economically disadvantaged area with high unemployment. The transit center is served by two Local lines. The Near East Transit Center includes a Nationwide Children's hospital "Close to Home" facility offering neighborhood medical services as well as leased, street-level, retail space.

### **Facilities Leased**

**COTA Transit Terminal**, 25 E. Rich St., is a 41,000 square-foot facility opened in November 1989 and serves commuters in the southern Downtown area. The terminal is located in the Columbus Commons parking garage between Rich and Main streets. One Local and 21 Express lines use the terminal. In 2014, renovations were completed to accommodate CNG buses. A number of upgrades and customer amenities were also part of the renovation.

### **Service Area**

Franklin County, COTA's primary service area, is located in Central Ohio. The City of Columbus, Ohio's largest city and state capital, is located within its boundaries. The Columbus Metropolitan Statistical Area (MSA) consists of eight counties: Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway and Union. Based on data from the U.S. Census Bureau (2010), the combined area's population is 1,836,536 with Franklin County's population of 1,163,414 making it the MSA's largest county in terms of population.

## LETTER OF TRANSMITTAL

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### Population

Population in COTA's primary service area since 1970 is as follows:

Year	Columbus	Franklin County
1970	540,025	833,249
1980	565,032	869,126
1990	632,910	961,437
2000	711,470	1,068,978
2010	787,033	1,163,414
2014 Estimate	N/A	1,231,393

Source: U.S. Census Bureau

### ECONOMIC OUTLOOK

While the local economy generally mirrors the national economy, Franklin County has remained stable as a regional economic center. Columbus is the most populous city in Ohio and only major municipality in the state experiencing population growth. This is attributed in part to Columbus' aggressive annexation policies and a pro-growth economic emphasis in city government. Franklin County's sizable institutional component, stemming from the presence of Ohio's capital and The Ohio State University, lends considerable stability to the local economy. The region's economy consists of large professional and service sectors heavy on finance, insurance, education and research industries. The overall countywide, assessed property valuation continues to increase as a result of vibrant residential and commercial development. The economic climate of Franklin County directly affects COTA due to the reliance on sales and use tax receipts, which are COTA's major source of revenue.

### SERVICE EXPANSION

In November 2006, voters approved a 10-year, renewable 0.25 percent sales-tax levy, in addition to the permanent 0.25 percent sales and use tax, to implement the Long-Range Transit Plan (LRTP). COTA began receiving revenue from the renewable sales tax in April 2008. In early 2007, COTA developed a Short-Range Transit Plan (SRTP) that describes planned service improvements for the first five years of the LRTP, which identifies capital projects to support the planned service improvements and summarizes COTA's financial plan for the next five years. The SRTP was updated in 2010 to cover the span from 2011 to 2015.

The LRTP contains the following four components within the service plan:

**Fixed-Route Bus Service**—The LRTP's goal to provide safe, reliable and convenient transportation includes adding approximately 20,000 annualized service hours three times each year for a total of 60,000 annualized service hours.

**Paratransit Bus Service**—COTA's service expansion and growth includes Mainstream. As fixed-route options expand, paratransit service and capacity grows with it. COTA is analyzing options for Mainstream and exploring the possibility of expanding partnerships with local organizations to provide better demand-response service for specific communities.

**Intelligent Transportation Systems**—COTA is pursuing technologies to improve customer service, quality of service and efficiency including real-time bus arrival information at busy bus stops, smart card technologies and signal priority to adjust traffic light timing to expedite bus service.

## LETTER OF TRANSMITTAL

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**Strategic Investments**—COTA will continue to pursue advanced acquisition of right of way (ROW) and land for potential new Park & Rides and transit centers. As funding is made available, COTA will investigate the potential of alternative modes of transit.

COTA's 10-year, renewable 0.25 percent sales-tax must be renewed by 2017 to maintain consistent local funding.

### FINANCIAL INFORMATION

#### Internal Control Structure

The management of COTA is responsible for establishing and maintaining an internal control structure designed to ensure that COTA's assets are protected from loss, theft or misuse. Management's responsibility is to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles.

In developing and evaluating COTA's accounting system, emphasis is placed on the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the reliability of financial records used to prepare financial statements and protection of assets against loss from unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. Management trusts that COTA's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded. Management believes that the data in this CAFR, as presented, is accurate in all material respects and fairly presents the financial position, results of operations and cash flows of COTA. Management trusts that all disclosures necessary to enable the reader to gain the maximum understanding of COTA's financial affairs have been included.

#### Basis of Accounting

COTA's financial records are maintained on the accrual basis of accounting. The activities are accounted for in a single enterprise, proprietary-type, fund. Additional information on COTA's accounting policies can be found in Note 2 in the Notes to the Financial Statements located on page 31.

## LETTER OF TRANSMITTAL

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### FINANCIAL INFORMATION (continued)

#### Budgetary Controls

The annual accrual basis operation and capital budgets are proposed by COTA's management and adopted by the Board of Trustees in a public meeting, typically held in the month preceding a new fiscal year. The annual budget is prepared using overall guidelines established after consideration of COTA's long-range financial plan. The plan, updated annually, projects revenue sources over the next 10 years and establishes service levels and growth commensurate with revenue limits.

Management control for the budget is maintained by not permitting total expenditures to exceed total appropriations without approval of the Board of Trustees. It is the responsibility of each department to administer its operations in a manner to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees. Financial statements prepared on a budgetary basis, in accordance with generally-accepted accounting principles, have been provided on page 44 to demonstrate budgetary compliance.

### OTHER INFORMATION

#### Independent Audit

COTA's independent certified public accounting firm of Clark Schaefer Hackett has rendered an unmodified audit report on COTA's financial statements for the fiscal year ended Dec. 31, 2014. The report is included in the financial section of the CAFR.

COTA participates in the federal single audit program, which consists of a single audit of all federally-funded programs administered by COTA. As a requirement for continued funding eligibility, participation in the single audit program is mandatory for most local governments, including COTA. The single audit, performed by Clark Schaefer Hackett met the requirements set forth by the State of Ohio, federal Single Audit Act of 1984 including the Single Audit Act Amendments of 1996 and related Office of Management and Budget Circular A-133 (Revised).

It is the intention of COTA's management to submit this and future CAFRs for review under the GFOA's Certificate of Achievement for Excellence in Financial Reporting program. Management believes the current report conforms to the program requirements and expects that participation will result in continued improvement of COTA's financial reporting in future years.

#### Acknowledgements

The publication of the CAFR is a reflection of the level of excellence and professionalism COTA has attained. It significantly improves the accountability of COTA to its taxpayers and creditors.

The report would not have been possible without the hard work and high standards of the entire staff of the Finance Division. COTA wishes to thank all who contributed to the project.



W. Curtis Stitt  
President/CEO



Jeff Vosler  
Interim CFO/VP, Finance & DBE Officer



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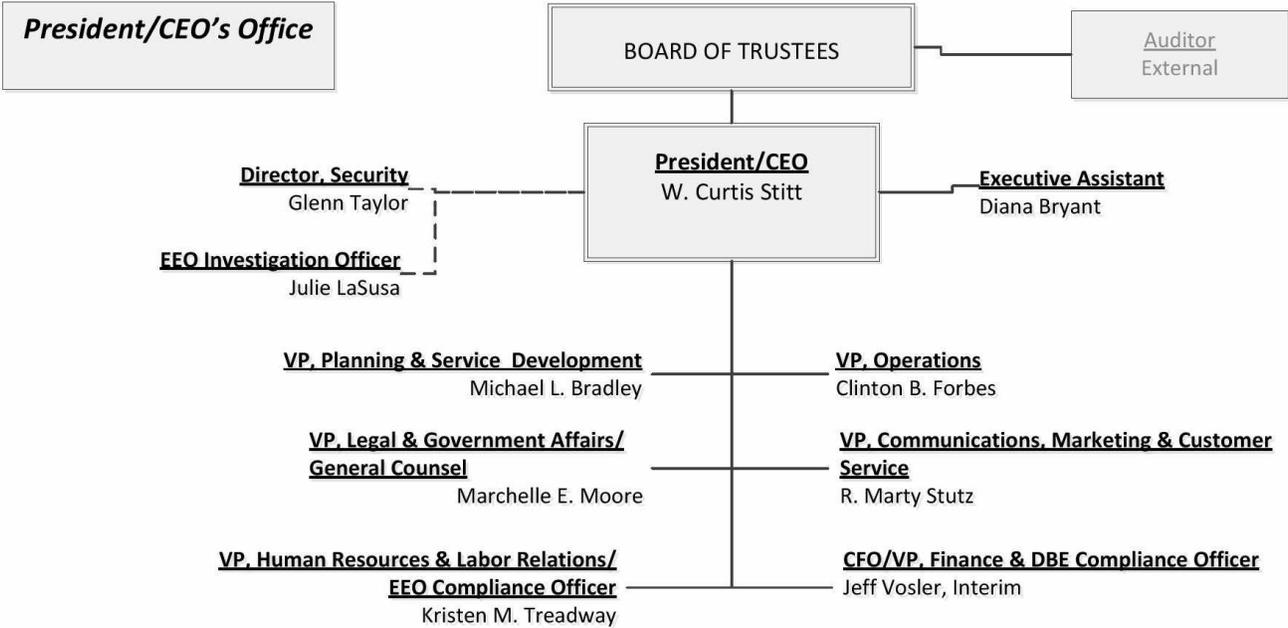
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

# TABLE OF ORGANIZATION

as of December 31, 2014





**BOARD OF TRUSTEES  
As of December 31, 2014**

Chair	Dawn Tyler Lee Appointed by the City of Columbus
Vice-Chair	J. Cleve Ricksecker Appointed by the City of Columbus
Trustee	William A. Anthony Appointed by the City of Columbus
Trustee	James E. Daley Appointed by the City of Reynoldsburg
Trustee	Mabel G. Freeman Appointed by the City of Bexley
Trustee	James E. Kunk Appointed by the City of Columbus
Trustee	Regina R. Ormond Appointed by the City of Columbus
Trustee	Harry W. Proctor Appointed by Franklin County
Trustee	Jean Carter Ryan Appointed by the City of Columbus
Trustee	Craig P. Treneff Appointed by the City of Westerville
Trustee	Richard R. Zitzke Appointed by the City of Whitehall
1 Vacancy	Franklin County
1 Vacancy	City of Columbus

**ADMINISTRATION**

President	W. Curtis Stitt, CEO
Vice President	Mike Bradley, Planning & Service Development
Vice President	Clinton E. Forbes, Operations
Vice President	Marchelle E. Moore, Legal & Government Affairs
Vice President	Robert M. Stutz, Communications, Marketing & Customer Service
Vice President	Jeff S. Vosler, (Interim) CFO/Vice President, Finance
Vice President	Kristen M. Treadway, Human Resources & Labor Relations



# FINANCIAL SECTION



CENTRAL OHIO TRANSIT AUTHORITY

cota.com   (614) 228-1776

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Central Ohio Transit Authority  
Columbus, Ohio 43215

### Report on the Financial Statements

We have audited the accompanying financial statements of the Central Ohio Transit Authority (the Authority), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Ohio Transit Authority as of December 31, 2014 and 2013, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

14 east main street, ste. 500  
springfield, oh 45502

www.cshco.com  
p. 937.399.2000  
f. 937.399.5433

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 15 through 24 be presented to supplement the basic financial statements. Such information, 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Authority's basic financial statements. The introductory section, supplemental budget versus actual schedule, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2015 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Authority's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 9, 2015

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As the management of the Central Ohio Transit Authority (the Authority or COTA), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2014. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and identifying any significant changes in financial position. We encourage readers to consider the information presented here, in conjunction with the basic financial statements and notes to the financial statements, which follows this section and provides more specific detail.

### Overview of Financial Highlights

- The Authority has Net Position of \$365.5 million. This Net Position results from the difference between total assets of \$382.8 million and total liabilities of \$17.3 million.
- The Authority's Net Position increased by \$34.2 million in 2014 mainly due to increased sales tax revenue and passenger fares.
- Current assets of \$159.4 million primarily consist of non-board designated cash and cash equivalents of \$77.9 million, sales tax receivables of \$34.0 million, investments of \$29.9 million, inventory of \$3.5 million, federal capital grant receivables of \$4.8 million, and Board designated assets of \$6.5 million.
- Current liabilities of \$16.0 million primarily consist of accrued payroll and fringe benefits of \$6.2 million, and accounts payable of \$8.0 million.
- The Authority has no long-term debt.

### Basic Financial Statements and Presentation

The financial statements presented by the Authority are the Balance Sheets, the Statements of Revenues, Expenses and Changes in Net Position and the Statements of Cash Flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority 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 and construction in progress, over their estimated useful lives.

The Balance Sheets on pages 25-26 present information on all of the Authority'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 Authority is improving or deteriorating. Net Position decreases when expenses exceed revenues. A decrease in assets without a corresponding decrease to liabilities results in decreased Net Position, which indicates a deteriorated financial position.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014 and 2013**

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Basic Financial Statements and Presentation (continued)

The Statements of Revenues, Expenses and Changes in Net Positions, on page 27, presents information showing how the Authority'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 and state governments.

The Statements of Cash Flows on pages 28-29 allow financial statement users to assess the Authority's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statements are classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 30-43.

Requests for Information

This financial report is designed to provide a general overview of the Central Ohio Transit Authority's financial status and performance. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Office of Chief Financial Officer  
Central Ohio Transit Authority  
William J. Lhota Building  
33 N. High Street  
Columbus, OH 43215  
[www.cota.com](http://www.cota.com)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014 and 2013**

**Financial Analysis of the Authority**

Condensed Summary of Net Position

The Authority's comparative analysis of the condensed summary of Net Position is as follows:

<b>Description</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Assets</b>			
Current Assets	\$ 152,924,533	\$ 135,421,501	\$ 118,700,772
Board Designated Assets (current)	6,483,785	7,362,917	8,656,755
Total Current Assets	<u>159,408,318</u>	<u>142,784,418</u>	<u>127,357,527</u>
Board Designated Assets (non-current)	15,081,237	15,046,134	14,828,816
Capital Assets (net of accumulated depreciation)	208,365,365	190,576,138	172,552,456
Total Non-Current Assets	<u>223,446,602</u>	<u>205,622,272</u>	<u>187,381,272</u>
<b>Total Assets</b>	<b>382,854,920</b>	<b>348,406,690</b>	<b>314,738,799</b>
<b>Liabilities</b>			
Current Liabilities	15,972,731	15,863,088	22,943,268
Non-Current Liabilities	1,363,112	1,218,790	1,179,081
Total Liabilities	<u>17,335,843</u>	<u>17,081,878</u>	<u>24,122,349</u>
<b>Net Position</b>			
Net Position Invested in Capital Assets	208,365,365	190,576,138	172,552,456
Net Position Unrestricted	157,153,712	140,748,674	118,063,994
Total Net Position	<u>\$ 365,519,077</u>	<u>\$ 331,324,812</u>	<u>\$ 290,616,450</u>

Most of the Authority's Net Position reflects investment in capital assets such as buses, maintenance equipment, and operating facilities. The Authority uses these capital assets to provide public transportation services for Franklin County and portions of the cities of Columbus, Dublin, Reynoldsburg, and Westerville that are located in counties adjacent to Franklin County. The Authority's investment in capital assets as of December 31, 2014 amounts to \$208.4 million. This investment in capital assets includes land, buildings and improvements, revenue vehicles, transit centers, other equipment, and projects in progress (net of accumulated depreciation). The total increase in COTA's investment in capital assets in 2014 was \$17.8 million.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014 and 2013**

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Major capital asset events during 2014 included the following:

- Purchase of (36) Heavy Duty CNG Transit Buses
- Purchase of (19) MV-1 Paratransit Vehicles
- Renovation of McKinley Avenue Bus Garage and Maintenance Facility Renovation-Phase III

Contributions to construction in progress including the following projects:

- Construction of Downtown Shelters
- Construction of New Albany Park and Ride
- Renovation of North and South Terminals
- Bus Rapid Transit Project Development and Engineering
- Renovation of McKinley Avenue Bus Garage and Maintenance Facility Renovation-Phase III

Additional information on the Authority's capital assets can be found in Note 5 in the Notes to the Financial Statements located on pages 37-38.

The Authority's current assets at the end of 2014 are composed of cash and cash equivalents (50.9%), investments (19.5%), receivables (26.5%), inventory (2.3%), and other assets (.8%) consisting predominately of prepaid expenses.

Expenses by Functional Category

The Statements of Revenues, Expenses and Changes in Net Position are presented on the next page with explanations and analysis. The Authority's expenses, excluding leases and rentals and depreciation, can be classified by functional category as defined by the Authority's National Transit Database Report (NTDR) and summarized in the following table:

**EXPENSES BY FUNCTION** (see exclusions listed above)

Description	2014	2013	2012
Vehicle Operations	\$ 63,224,635	\$ 58,972,821	\$ 55,845,630
Vehicle Maintenance	17,651,307	16,622,367	15,421,487
Facilities Maintenance	6,584,710	6,882,006	6,174,428
General & Administrative	19,690,525	17,779,991	16,204,549
Total	<u>\$ 107,151,177</u>	<u>\$ 100,257,185</u>	<u>\$ 93,646,094</u>

In accordance with NTDR guidelines, the 2014, 2013 and 2012 expenses include additional costs of \$141,247, \$137,140 and \$93,278, respectively. These costs are collected directly by the service provider from the Authority's customers of the Sedan Service for Disabled Passengers.

NTDR requires a portion of Purchased Transportation expense reflecting the cost of service provider vehicle depreciation to be recorded as vehicle lease expense. For 2014 and 2013, \$173,136 and \$163,048 respectively, is excluded from expense by function reporting.

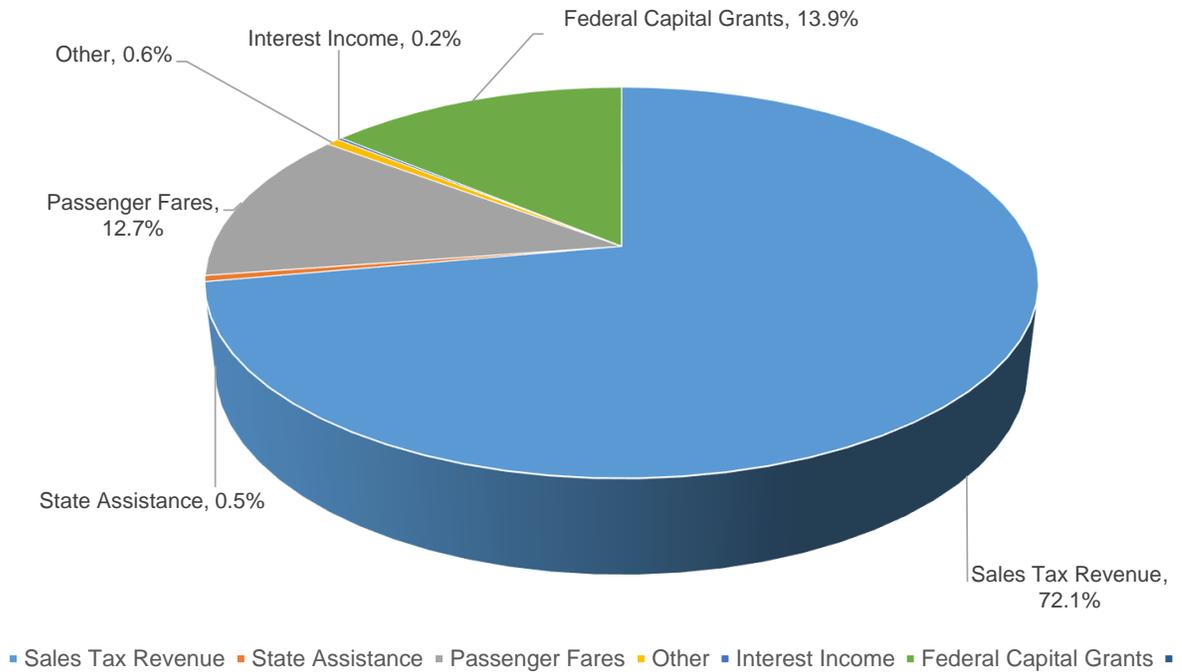
**CENTRAL OHIO TRANSIT AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014 and 2013**

Condensed Summary of Revenues, Expenses and Changes in Net Position:

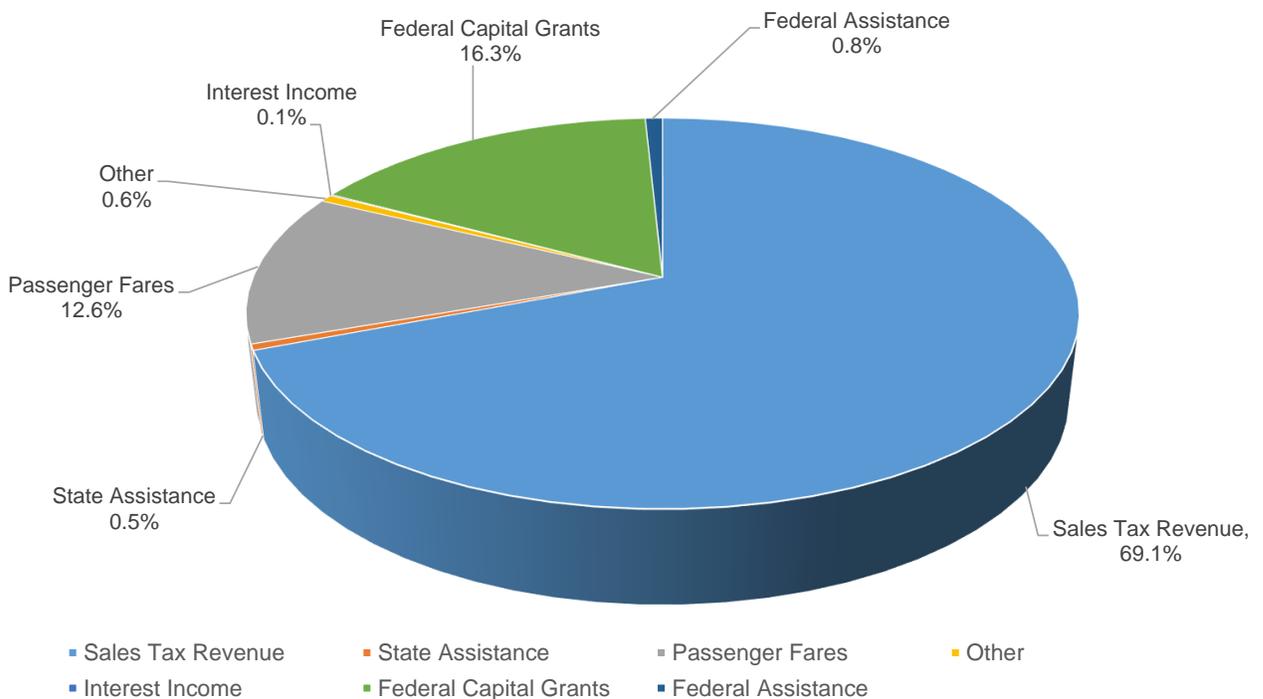
Description	2014	2013	2012
Operating Revenues			
Passenger Fare Revenues	\$ 20,130,110	\$ 19,519,266	\$ 19,255,815
Special Services Revenue	780,737	774,953	772,269
Total Operating Revenues	<u>20,910,847</u>	<u>20,294,219</u>	<u>20,028,084</u>
Non-Operating Revenues			
Sales Tax Revenues	118,662,543	111,214,330	105,853,807
Federal Assistance	21,787	1,223,541	405,697
State Assistance	745,356	829,592	916,967
Investment Income	384,324	142,923	423,358
Gain on disposal of capital assets	-	153,728	-
Non-transportation and Other Revenues	933,174	894,092	946,898
Total Non-Operating Revenues	<u>120,747,184</u>	<u>114,458,206</u>	<u>108,546,727</u>
Total Revenue before Capital Grants	<u>141,658,031</u>	<u>134,752,425</u>	<u>128,574,811</u>
Operating Expenses			
Labor	43,215,656	39,805,084	38,037,394
Fringe Benefits	28,401,612	26,120,166	24,675,720
Materials and Supplies	15,908,436	15,982,530	14,694,236
Purchased Transportation	7,652,337	7,136,297	6,733,147
Services	7,269,244	7,743,538	5,992,543
Other Expenses	4,746,596	3,515,022	3,605,159
Depreciation Expense	22,093,964	20,048,450	16,334,626
Total Operating Expenses	<u>129,287,845</u>	<u>120,351,087</u>	<u>110,072,825</u>
Non-Operating Expenses			
Loss on disposal of capital assets	29,921	-	932,552
Regional transit subsidy	1,072,484	-	-
Total Non-Operating Expenses	<u>1,102,405</u>	<u>-</u>	<u>932,552</u>
Change before Capital Grants	<u>11,267,781</u>	<u>14,401,338</u>	<u>17,569,434</u>
Capital Grant Revenues:			
Federal	22,926,484	26,307,024	20,835,612
State	-	-	986,019
Total Capital Grant Revenues	<u>22,926,484</u>	<u>26,307,024</u>	<u>21,821,631</u>
Change in Net Position during the Year	34,194,265	40,708,362	39,391,065
Net Position, Beginning of Year	331,324,812	290,616,450	251,225,385
Net Position, End of Year	<u>\$365,519,077</u>	<u>\$331,324,812</u>	<u>\$290,616,450</u>

## CENTRAL OHIO TRANSIT AUTHORITY Revenues by Source

**2014 Total Revenues  
\$ 164,584,515**

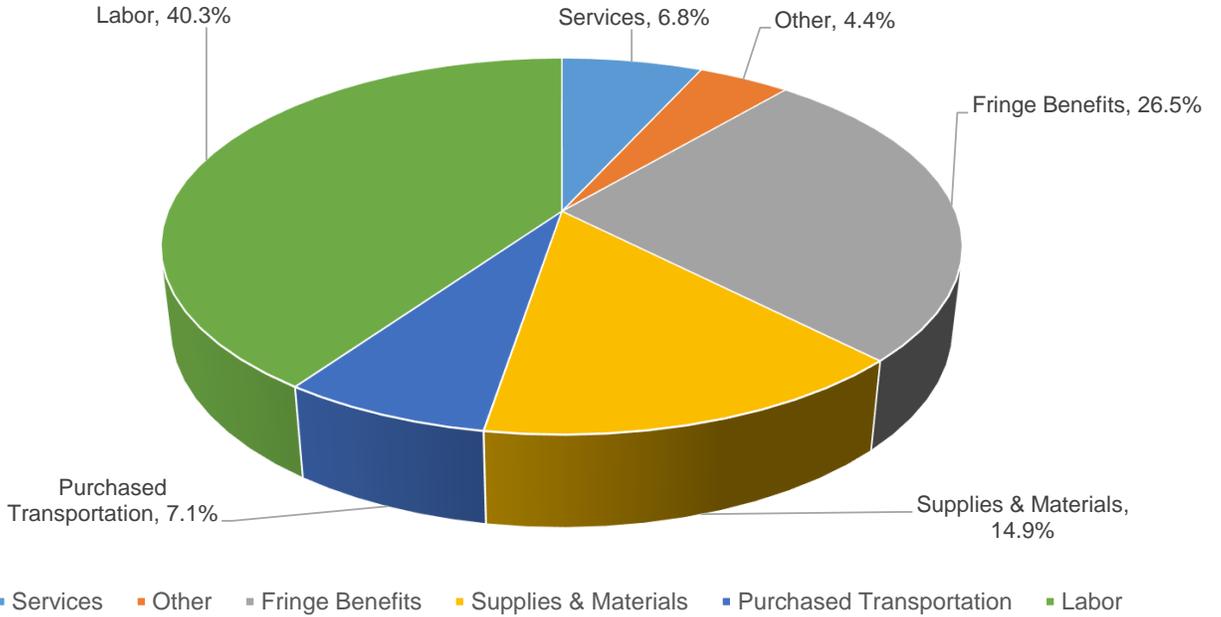


**2013 Total Revenues  
\$ 161,059,449**

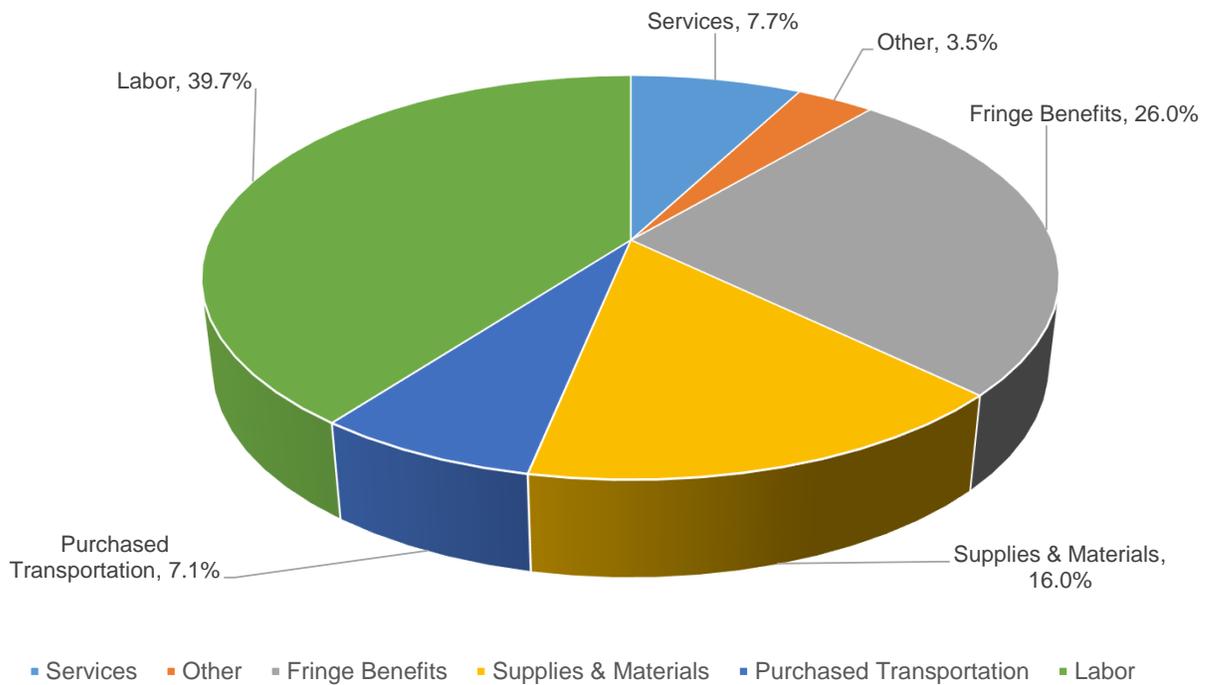


**CENTRAL OHIO TRANSIT AUTHORITY**  
**Operating Expense by Object Class**  
**(Excluding Depreciation)**

**2014 Total Expenses**  
**\$107,193,881**



**2013 Total Expenses**  
**\$100,302,637**



# CENTRAL OHIO TRANSIT AUTHORITY

## Management's Discussion and Analysis

### Year Ended December 31, 2014 and 2013

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#### Financial Operating Results

##### Revenues

For purposes of this presentation, the Authority groups its operating revenues into the following categories:

**Passenger Fares** are comprised of farebox revenues and special services revenues. The 2014, 2013 and 2012 increase is due to increased ridership from increases in service hours.

**Sales Tax Revenues** are received from a permanent ¼% sales tax levy approved by voters in November 1999 and a temporary ¼% sales tax levy approved by voters in November 2006 applicable to the Authority's service area for a ten year period. In 2014, 2013 and 2012, the Authority saw a 6.7%, 5.1% and 6.9% increase in sales tax revenue, respectively.

**Federal Assistance** is received from the Federal Transit Administration (FTA). In 2014 and 2013, COTA received operating assistance through §5316 and §5339 to offset the cost of job access routes and BRT Real Estate Acquisition and Management Plan.

**Federal Capital Grants** are received from the Federal Transit Administration (FTA). Eligible expenditures fall into two general categories: capital expenditures and other expenditures which are limited to specific programs. The Authority's funding, as authorized in the Moving Ahead for Progress in the 21st Century (MAP-21) comes primarily from §5307 which is the Urbanized Area Formula Program. The Authority utilizes these funds primarily for capital programs, and transit improvements and enhancements. The §5307 funds appropriated for the Authority in 2014 increased 3% from 2013. The §5307 funds appropriated for the Authority in 2013 increased 5% from 2012. In 2014 and 2013, the Authority was awarded additional §5307 funding through competitive discretionary grant programs used to fund capital infrastructure projects.

**State Assistance** is received from the State of Ohio for reimbursement of state fuel taxes. COTA is required to remit state taxes on diesel fuel, but is refunded \$0.27 of the \$0.28 per gallon paid.

**State Capital Grants** are received from ODOT for capital projects and capital acquisitions. State Capital Grants reimburse the Authority in part for the purchase of buses and equipment. Due to the state's strained financial capacity, no grants were awarded in 2014.

**Investment Income** is earned on invested funds. Cash balances have continued to increase during 2014, but due to continuing interest rate reductions the Authority invested \$45.0M into negotiable certificates of deposit which are generating interest income in 2014, 2013, and 2012.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2014 and 2013**

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**Revenues (continued)**

**Non-Transportation and Other Revenues** consist of auxiliary transportation revenues and non-transportation revenues. Non-transportation revenues include miscellaneous income items such as rent income, has increased 4.4% in 2014, while 2013 and 2012 experienced a decline due to un-leased space. In 2013, a gain on the sale of capital assets was disclosed separately as non-operating revenue.

**Expenses**

**Labor** comprises almost half of the total Authority expenses and includes hourly wages paid to union-represented employees (bus operators, mechanics and facility maintenance personnel), and salaries and wages paid to administrative staff (clerical, supervisory and management personnel). Wages increased by 8.6% and 4.6% in 2014 and 2013, respectively, due to merit increases and increased headcount in administrative staff as well as operations that were required to provide planned service hour increases. In 2012, wages increased just 1.1% because the pay increases were offset against lost wages due to the 3 day strike by the TWU employees.

**Fringe Benefits** consist primarily of vacation, sick and holiday pay, required Authority contributions to the Ohio Public Employees Retirement System (OPERS), and employee medical benefits. Required employer contributions to OPERS were made at the rate of 14% of total gross taxable wages.

In 2014 and 2013, fringe benefits increased by 8.7% and 5.9% respectively, because of increased headcount and increasing costs related to workers compensation and health insurance.

**Materials and Supplies** include the Authority's diesel fuel expense and parts used to maintain buses and facilities. In 2014, despite increased service hours, the Authority's fuel expense decreased by 5.4%. With 36 CNG (Clean Natural Gas) buses added to the fleet in 2014, the savings in cost per diesel gallon equivalent more than offset the cost associated with additional service hours added in 2014. Fuel expense increased in 2013 by 7.6% due to an average price increase of .20 cents per gallon from 2012 to 2013 related to a less favorable gain in the fuel hedge program in 2013 compared to 2012. In 2012, fuel costs rose by 10.5% when the average price per gallon increased 0.27 cents. In 2014, 2013, and 2012 materials and supplies (excluding fuel) increased 5.95%, 10.3%, and 0.2% respectively. The majority of the material and supply costs for the Authority are related to bus and facility maintenance. Each year the bus fleet continues to grow as does the annual service hours thereby increasing the cost of fleet maintenance.

**Purchased Transportation** expenses are amounts paid to private local contractors for the Authority's door-to-door Project Mainstream service. Project Mainstream provides service-on-demand in minibuses equipped with wheelchair lifts for persons with disabilities. Contracted costs are based on a fixed fee in addition to a variable rate based on revenue hours provided. In 2014, purchased transportation expense increased 7.2%. The contract included a 1.2% increase in the fixed fee and a 5.3% increase in the variable rate. 2014 revenue hours increased 5.3% over 2013 contributing to the increase in purchase transportation expense. In 2013, the contract included a 2% increase in the fixed fee and a 3% increase in the variable rate. This 5% increase, in addition to more revenue hours, contributed to the 6% increase in purchase transportation expenses in 2013. In 2012, revenue hours remained flat and the contract rate increased 3% from 2011.

# CENTRAL OHIO TRANSIT AUTHORITY

## Management's Discussion and Analysis

### Year Ended December 31, 2014 and 2013

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#### **Expenses (continued)**

**Services** are provided by outside contractors to assist the Authority in completing professional, technical, consulting and maintenance related projects. In 2014, services decreased 6.1% due to the completion of several on-going projects. Services increased 29.2% in 2013. Projects such as the repair and restoration of infrastructure from the 2012 train derailment, commissioning costs from the McKinley Avenue Phase II renovation, ongoing third-party system reviews and surveys, and a website redesign contributed to this increase. Services decreased in 2012 by 8.1% primarily caused by project delays.

**Other Expenses** consist primarily of utilities, taxes, interest, leases and rentals, claims and insurance and other miscellaneous expenses. In 2014, other expenses increased by 35% primarily driven by a significant increase in utility expense driven by severe winter weather. In 2013, other expenses decreased by 2.5%. Overall claims in 2013 were reduced by a significant claim recovery. Other expenses decreased 14.9% in 2012 as commodity costs decreased and utility costs fell because of variable weather conditions.

**Depreciation Expense** increased in 2014 by 10.2%. An increase in capital project activity in 2014 contributed to an increase in depreciation expense. In 2013, depreciation expense rose by 22.7% due to the first year depreciation for McKinley Avenue Bus Garage and Maintenance Facility Renovation Phase II and the project to upgrade the CAD/AVL system.

**Non-Operating Expense** As a result of the 2010 US census, the City of Delaware has been classified as a part of the Columbus Metropolitan Statistical Area (MSA). This change was effective with Federal Fiscal Year 2013 which affected the funding status of the Delaware Area Transit Authority (DATA) moving them from a rural transit funded through Ohio Department of Transportation (ODOT) to an urban transit funded directly from the Federal Transit Administration via Section 5307 formula funds. The change has had a detrimental impact on DATA's ability to utilize their federal funds from the urbanized area. DATA is unable to meet the local funding requirements to utilize their portion of the federal funding. With the assistance of MORPC, COTA and DATA recently entered into an agreement that specified the method of allocation that will be used going forward to split the 5307 funds awarded to the Columbus MSA on an annual basis. The allocation that DATA receives from this split is significantly less than the funding they received under the rural program administered by ODOT. In recognition of the financial dilemma that DATA is in, ODOT and COTA have entered into an agreement whereby DATA will receive local funding from COTA for use in public transportation in Delaware County and the FTA, upon advisement by ODOT, will transfer an equal amount of federal funds to COTA.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Balance Sheets**  
**December 31, 2014 and 2013**

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents.....	\$ 77,909,777	\$ 71,858,752
Investments.....	29,866,365	25,056,580
Receivables:		
Sales tax.....	33,967,269	29,614,964
Federal capital grants receivable.....	4,785,140	2,464,798
Federal operating assistance.....	19,235	100,749
Other.....	1,686,476	1,979,454
Inventory of materials and supplies.....	3,504,619	3,594,683
Other.....	1,185,652	751,521
Total.....	<u>152,924,533</u>	<u>135,421,501</u>
Board designated:		
Cash and cash equivalents - capital grants.....	<u>6,483,785</u>	<u>7,362,917</u>
Total current assets.....	<u>159,408,318</u>	<u>142,784,418</u>
<b>NON-CURRENT ASSETS:</b>		
Board designated:		
Investments - self insurance.....	15,081,237	15,046,134
Capital assets:		
Nondepreciable - land	9,943,599	8,695,323
Nondepreciable - construction in progress	22,326,120	3,695,158
Net depreciable capital assets	<u>176,095,646</u>	<u>178,185,657</u>
Total capital assets.....	<u>208,365,365</u>	<u>190,576,138</u>
Total non-current assets.....	<u>223,446,602</u>	<u>205,622,272</u>
<b>TOTAL ASSETS.....</b>	<u><u>\$ 382,854,920</u></u>	<u><u>\$ 348,406,690</u></u>

See notes to financial statements.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Balance Sheets (continued)**  
**December 31, 2014 and 2013**

<u>LIABILITIES AND NET POSITION</u>	<u>2014</u>	<u>2013</u>
<b>CURRENT LIABILITIES:</b>		
Accrued payroll and fringe benefits.....	\$ 6,173,373	\$ 5,732,633
Accounts payable.....	7,992,661	7,548,085
Accrued payroll taxes.....	758,139	945,129
Estimated workers' compensation claims.....	141,550	161,974
Estimated claims payable .....	114,402	91,651
Other current liabilities.....	792,606	1,383,616
Total current liabilities.....	<u>15,972,731</u>	<u>15,863,088</u>
<b>NON-CURRENT LIABILITIES:</b>		
Accrued fringe benefits.....	867,169	781,942
Estimated workers' compensation claims.....	334,943	377,098
Estimated claims payable .....	161,000	59,750
Total non-current liabilities.....	<u>1,363,112</u>	<u>1,218,790</u>
TOTAL LIABILITIES.....	<u>17,335,843</u>	<u>17,081,878</u>
<b>NET POSITION:</b>		
Investment in capital assets.....	208,365,365	190,576,138
Unrestricted.....	157,153,712	140,748,674
TOTAL NET POSITION.....	<u>365,519,077</u>	<u>331,324,812</u>
TOTAL LIABILITIES AND NET POSITION.....	<u>\$ 382,854,920</u>	<u>\$ 348,406,690</u>

See notes to financial statements.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES:</b>		
Passenger fares for transit service.....	\$ 20,130,110	\$ 19,519,266
Special transit fares.....	780,737	774,953
Total.....	<u>20,910,847</u>	<u>20,294,219</u>
<b>OPERATING EXPENSES OTHER THAN DEPRECIATION:</b>		
Labor.....	43,215,656	39,805,084
Fringe benefits.....	28,401,612	26,120,166
Materials and supplies.....	15,908,436	15,982,530
Purchased transportation.....	7,652,337	7,136,297
Services.....	7,269,244	7,743,538
Utilities.....	2,179,358	1,811,090
Taxes.....	859,673	1,037,197
Leases and rentals .....	183,951	182,592
Claims and insurance, net of settlements.....	245,597	(453,556)
Advertising.....	243,894	291,677
Miscellaneous.....	1,034,123	646,022
Total.....	<u>107,193,881</u>	<u>100,302,637</u>
DEPRECIATION.....	<u>22,093,964</u>	<u>20,048,450</u>
Total operating expenses.....	<u>129,287,845</u>	<u>120,351,087</u>
OPERATING LOSS.....	<u>(108,376,998)</u>	<u>(100,056,868)</u>
<b>NON-OPERATING REVENUES(EXPENSES):</b>		
Sales tax revenues.....	118,662,543	111,214,330
Federal operating grants.....	21,787	1,223,541
State operating grants, reimbursements and special fare assistance .....	745,356	829,592
Investment income.....	384,324	142,923
Regional transit subsidy	(1,072,484)	-
Non-Transportation and other revenue.....	933,174	894,092
Gain (Loss) on disposal of capital assets.....	(29,921)	153,728
Total.....	<u>119,644,779</u>	<u>114,458,206</u>
Change before capital grants.....	<u>11,267,781</u>	<u>14,401,338</u>
<b>CAPITAL GRANT REVENUES:</b>		
Federal .....	<u>22,926,484</u>	<u>26,307,024</u>
CHANGES IN NET POSITION	34,194,265	40,708,362
NET POSITIONS, BEGINNING OF YEAR.....	<u>331,324,812</u>	<u>290,616,450</u>
NET POSITIONS, END OF YEAR.....	<u>\$ 365,519,077</u>	<u>\$ 331,324,812</u>

See notes to financial statements.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Statements of Cash Flows**  
**Years ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers.....	\$ 20,910,846	\$ 20,294,219
Cash payments to suppliers for goods and services.....	(36,897,394)	(33,476,578)
Cash payments to employees for services.....	(48,118,570)	(39,605,586)
Cash payments for employee benefits.....	(23,035,311)	(25,932,242)
Cash payments for casualty and liability.....	(171,847)	(146,332)
Other receipts.....	1,121,152	274,530
Net cash used in operating activities.....	<u>(86,191,124)</u>	<u>(78,591,989)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Sales taxes received.....	114,310,238	110,049,661
Federal operating assistance received.....	103,301	1,122,792
Local assistance provided.....	(1,072,484)	-
State operating and other assistance received.....	745,356	833,572
Net cash provided by non-capital financing activities.....	<u>114,086,411</u>	<u>112,006,025</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Federal capital grants received.....	20,606,142	32,915,293
Acquisition and construction of capital assets.....	(39,084,702)	(47,487,229)
Proceeds from sale of capital assets.....	215,730	417,900
Net cash used in capital and related financing activities.....	<u>(18,262,830)</u>	<u>(14,154,036)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment in CD's.....	(4,844,888)	116,125
Interest received from investments.....	384,324	142,923
Net cash provided by (used in) investing activities.....	<u>(4,460,564)</u>	<u>259,048</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,171,893</b>	<b>19,519,048</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....</b>	<b><u>79,221,669</u></b>	<b><u>59,702,621</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR.....</b>	<b><u>\$ 84,393,562</u></b>	<b><u>\$ 79,221,669</u></b>

See notes to financial statements.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Statements of Cash Flows (continued)**  
**Years ended December 31, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss.....	\$ (108,376,998)	\$ (100,056,868)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation.....	22,093,964	20,048,450
Inventory obsolescence reserve adjustments.....	56,362	11,661
Other receipts.....	933,174	894,092
Change in assets and liabilities:		
(Increase) decrease in other receivables.....	187,978	(648,905)
(Increase) decrease in materials and supplies inventory.....	33,702	(544,695)
Increase in other assets.....	(434,131)	(301,178)
(Decrease) increase in accounts payable, accrued compensation, self-insurance liabilities and other.....	(685,175)	2,005,454
Net cash used in operating activities.....	\$ (86,191,124)	\$ (78,591,989)
 SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY		
Property purchases in accounts payable	\$ 5,624,782	\$ 4,539,240

See notes to financial statements.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(1) Organization and Reporting Entity**

***Organization***

The Central Ohio Transit Authority (COTA or the Authority) is an independent, special purpose subdivision of the State of Ohio. The Authority was created on February 17, 1971, pursuant to Sections 306.30 through 306.53 of the Ohio Revised Code for the purpose of providing public transportation in Central Ohio, primarily Franklin County and surrounding areas. The Authority commenced operations on January 1, 1974. As a political subdivision, the Authority is distinct from, and is not an agency of, the State of Ohio or any other local government unit.

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, in 0.25% increments up to a maximum rate of 1.5% if approved by a majority of the electors residing within the territorial boundaries of the Authority. Such a sales and use tax is in addition to the sales and use taxes levied by the State of Ohio and Franklin County. On November 5, 1999, the voters of Franklin County approved a permanent 0.25% sales and use tax. On November 2, 2006, the voters of Franklin County and surrounding counties within the COTA district approved a temporary 10 year additional 0.25% sales and use tax.

The Authority also has the power, under Section 306.40 of the Ohio Revised Code, to levy and collect both voted (after approval at an election) and unvoted ad valorem taxes on all the taxable property within the territorial boundaries of the Authority, in order to pay debt service on its bonds and notes issued in anticipation thereof. Ad valorem taxes were not levied during fiscal years 2014 and 2013.

The Authority is governed by a 13-member Board of Trustees; seven (7) members are appointed by the Mayor of Columbus; two (2) members are appointed by the Franklin County Commissioners; and four (4) members are appointed on a rotating basis by the cities of Bexley, Dublin, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall, and Worthington.

The Authority is not subject to federal or state income taxes.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(1) Organization and Reporting Entity (continued)**

***Reporting Entity***

The accompanying financial statements comply with the provisions of accounting principles generally accepted in the United States of America in that these financial statements include all of the organization, activities, functions and component units for which the Authority is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. COTA does not have financial accountability over any entities.

The City of Columbus (the City) is a related organization to COTA as the Mayor of the City, with the approval of City Council, appoints a voting majority of COTA's Board. However, the financial statements of COTA are not included within the City's "Reporting Entity" as the City cannot impose its will and there is no financial benefit or financial burden relationship between the City and COTA.

**(2) Summary of Significant Accounting Policies**

***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. All transactions are accounted for in a single enterprise fund.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased and deposits in the State Treasurer's Asset Reserve investment pool (STAR Ohio) to be cash equivalents.

***Grant and Assistance***

The federal government, through the Federal Transit Administration (FTA), and the Ohio Department of Transportation, (ODOT) provides financial assistance and makes grants directly to the Authority for operations and the acquisition of property and equipment.

***Investments***

Investments are carried at fair value based on quoted market prices. Any unrealized gains or losses are recognized as adjustments to investment income. The Authority's policy is to hold investment securities to their scheduled maturities.

***Inventory of Materials and Supplies***

Inventory items are stated at cost using the weighted average method. Inventory generally consists of maintenance parts and supplies for transportation equipment and fuel and inventory items are expensed when consumed.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(2) Summary of Significant Accounting Policies (continued)**

***Board Designated Assets***

These assets are designated for the payment of public liability claims under the Authority's self-insurance program and for future capital expenditures.

***Designated for Capital Grant Expenditures***

These assets are board-designated under the Authority's capital grants. The Authority includes amounts relating to its local share requirements for active capital grants.

***Net Position – Equity displayed in two components as follows:***

Investment in capital assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Unrestricted – This consists of net positions that do not meet the definition of "restricted" or "investment in capital assets".

***Classifications of Revenues***

The Authority has classified its revenue as operating, non-operating or capital grant. Operating revenue includes activities that have the characteristics of exchange transactions including passenger fares and advertising. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as sales tax proceeds and most federal, state, or other reimbursement or donation for the acquisition of property and equipment.

***Recognition of Revenue and Receivables***

The federal government, through the Federal Transit Administration (FTA) and the Ohio Department of Transportation (ODOT), provide financial assistance and make grants directly to the Authority 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 revenues over the entitlement periods. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as grant receivables and credited to non-operating revenues in the period operating expenditures are incurred. Capital grants received in advance of project costs being incurred are deferred.

When assets acquired with capital grant funds are disposed of before their useful life, the Authority is required to notify the granting federal agency if the net book value of the asset exceeds \$5,000 at the time of disposal. 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 assets; and if not replaced, remitted to the granting federal agency.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(2) Summary of Significant Accounting Policies (continued)**

***Property and Depreciation***

Property and equipment are stated at historical cost and include expenditures that substantially increase the useful lives of existing assets. Routine maintenance and repairs are expensed as incurred. An asset is capitalized if its value exceeds \$5,000 and it has an economic life of greater than one year. The capitalization cost of a physical asset is defined to be the full cost of placing the asset into productive service.

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

<u>Description</u>	<u>Years</u>
Land and leasehold improvements	5-20
Buildings and improvements	20-40
Revenue vehicles	4-12
Transit shelters	5-8
Other equipment	2-10

Assets acquired with capital grants are included in property and equipment and depreciation on those assets is included in the Statement of Revenues, Expenses and Changes in Net Position.

***Estimated Claims Payable***

The Authority has a self-insurance program for public liability, personal injury, property damage and workers' compensation (see Note 8). Claims are accrued in the year the expenses are incurred, based upon estimates of the claim liabilities made by management and the legal counsel of the Authority. Also provided for are estimates of claims incurred during the year but not yet reported. These estimates are based on past experience and current outstanding claims.

***Compensated Absences***

The Authority accrues vacation and sick pay benefits as earned by its employees. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates. Non-current accrued fringe benefits are estimated based on the average vacation and sick expense from the previous five years.

	<b>Current</b>	<b>Non-current</b>
Compensated Absences Liability December 31, 2012	\$ 3,265,022	\$ 760,674
Vacation & Sick Liability Earned	3,834,781	21,268
Vacation & Sick Liability Paid	(3,755,100)	-
Compensated Absences Liability December 31, 2013	\$ 3,344,703	\$ 781,942
Vacation & Sick Liability Earned	4,007,012	85,227
Vacation & Sick Liability Paid	(3,900,131)	-
Compensated Absences Liability December 31, 2014	\$ 3,451,584	\$ 867,169

Payment of vacation and sick leave is dependent on many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation and sick leave when such payments become due.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(2) Summary of Significant Accounting Policies (continued)**

***Passenger Fares***

Passenger fares are recorded as revenue at the time services are performed.

***Budgetary Accounting and Control***

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

***Use of Estimates***

The accounting and reporting policies of COTA conform to accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

***Non-exchange Transactions***

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include sales and use tax revenue and grants. On an accrual basis, revenue from sales and use taxes is recognized in the period when the underlying exchange transaction occurs. Therefore, taxes on items sold in 2014 will be recognized as revenue in 2014. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

**(3) Cash and Investments**

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

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 Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2014 and 2013.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(3) Cash and Investments (continued)**

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities with a market value equal to 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

***Deposits with Financial Institutions***

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Public depositories must give security for all public funds on deposit. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposit. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

At December 31, 2014, the carrying amount of the Authority's deposits with financial institutions was \$19,124,543 and the bank balance was \$21,185,697. The difference results from outstanding checks and deposits in transit. Based on criteria as described in GASB Statement No. 40, "*Deposit and Investment Risk Disclosure*", as of December 31, 2014, \$250,000 was covered by Federal Deposit Insurance. The \$20,935,697 exposed to custodial risk was collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name. In addition, the Authority had \$7,783 of cash on hand.

At December 31, 2013, the carrying amount of the Authority's deposits with financial institutions was \$28,668,003 and the bank balance was \$29,179,267. The difference results from outstanding checks. As of December 31, 2013, \$250,000 was covered by Federal Deposit Insurance. The \$28,929,267 exposed to custodial risk was collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name. In addition, the Authority had \$7,783 of cash on hand.

***Other Deposits***

As of December 31, 2014 and 2013, the Authority held equity of \$65,261,236 and \$50,545,883 respectively, in the STAR Ohio investment pool. As of June 2014, Star Ohio has maintained Standard and Poors rating of AAAM. This investment has not been categorized based on a custodial risk because it is not a security. The relationship between the Authority and the investment asset is a direct contractual relationship and the investments evidence ownership or creditor ship.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(3) Cash and Investments (continued)**

**Investments**

The Authority's investments consist solely of negotiable certificates of deposits (CDs). These CDs are held in the Authority's name by Trustees and are fully covered by FDIC.

	Carrying Value	Investment Maturities > 1 year	2 to 5 yrs
Negotiable CDs	\$ 44,947,602	\$ 20,081,237	\$ 24,866,365

**(4) Commitments**

The Authority has several active projects as of December 31, 2014. The projects include the construction of a new CNG addition and McKinley Renovation, as well as a contractual obligation to purchase heavy duty revenue vehicles. At year-end, the Authority's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
McKinley Avenue Renovation	\$ 7,101,481	\$ 15,281,780
Bus Rapid Transit (BRT)	1,756,761	2,504,564
New Albany Park & Ride	688,758	34,269
Downtown Transit Terminals	5,160,439	818,165
Shelter Replacement	843,938	86,676
TOTAL	\$ 15,551,377	\$ 18,725,454

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(5) Capital Assets**

Capital asset activities for the years ended December 31, 2014 and 2013 are as follows:

	January 1, 2014	Additions	Disposals	Transfers	December 31, 2014
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 8,695,323	\$ 1,248,276	\$ -	\$ -	\$ 9,943,599
CIP	3,695,158	19,861,246	(146,404)	(1,083,880)	22,326,120
<b>Total</b>	<b>12,390,481</b>	<b>21,109,522</b>	<b>(146,404)</b>	<b>(1,083,880)</b>	<b>32,269,719</b>
<b>Capital Assets Being Depreciated:</b>					
Land and leasehold improvements	4,634,806	-	-	319,333	4,954,139
Building and improvements	123,107,724	7,493	(134,195)	150,100	123,131,122
Revenue vehicles	119,587,901	18,489,490	(9,223,426)	-	128,853,965
Transit shelter	1,872,204	-	-	65,303	1,937,507
Other equipment	37,347,703	563,740	(755,550)	549,144	37,705,037
<b>Total</b>	<b>286,550,338</b>	<b>19,060,723</b>	<b>(10,113,171)</b>	<b>1,083,880</b>	<b>296,581,770</b>
<b>Less Accumulated Depreciation:</b>					
Land and leasehold improvements	(2,085,074)	(262,909)	-	-	(2,347,983)
Building and improvements	(40,346,368)	(6,145,295)	86,797	-	(46,404,866)
Revenue vehicles	(49,919,352)	(10,457,881)	9,150,129	-	(51,227,104)
Transit shelter	(1,145,879)	(190,664)	-	-	(1,336,543)
Other equipment	(14,868,008)	(5,037,215)	735,595	-	(19,169,628)
<b>Total</b>	<b>(108,364,681)</b>	<b>(22,093,964)</b>	<b>9,972,521</b>	<b>-</b>	<b>(120,486,124)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>178,185,657</b>	<b>(3,033,241)</b>	<b>(140,650)</b>	<b>1,083,880</b>	<b>176,095,646</b>
<b>Total Capital Assets, Net</b>	<b>\$ 190,576,138</b>	<b>\$ 18,076,281</b>	<b>\$ (287,054)</b>	<b>\$ -</b>	<b>\$ 208,365,365</b>

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(5) Capital Assets (continued)**

	January 1, 2013	Additions	Disposals	Transfers	December 31, 2013
<b>Capital Assets Not Being Depreciated:</b>					
Land	\$ 6,929,824	\$ 1,880,499	\$ (115,000)	\$ -	\$ 8,695,323
CIP	30,540,987	21,003,637	-	(47,849,466)	3,695,158
<b>Total</b>	<b>37,470,811</b>	<b>22,884,136</b>	<b>(115,000)</b>	<b>(47,849,466)</b>	<b>12,390,481</b>
<b>Capital Assets Being Depreciated:</b>					
Land and leasehold improvements	8,670,532	30,936	(5,432,001)	1,365,339	4,634,806
Building and improvements	90,152,895	-	(782,136)	33,736,965	123,107,724
Revenue vehicles	109,838,907	14,565,431	(4,816,437)	-	119,587,901
Transit shelter	1,900,421	-	(28,217)	-	1,872,204
Other equipment	29,594,352	960,801	(5,954,612)	12,747,162	37,347,703
<b>Total</b>	<b>240,157,107</b>	<b>15,557,168</b>	<b>(17,013,403)</b>	<b>47,849,466</b>	<b>286,550,338</b>
<b>Less Accumulated Depreciation:</b>					
Land and leasehold improvements	(7,314,920)	(202,155)	5,432,001	-	(2,085,074)
Building and improvements	(35,606,417)	(5,397,450)	657,499	-	(40,346,368)
Revenue vehicles	(44,827,037)	(9,803,753)	4,711,438	-	(49,919,352)
Transit shelter	(940,070)	(234,025)	28,216	-	(1,145,879)
Other equipment	(16,387,018)	(4,411,067)	5,930,077	-	(14,868,008)
<b>Total</b>	<b>(105,075,462)</b>	<b>(20,048,450)</b>	<b>16,759,231</b>	<b>-</b>	<b>(108,364,681)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>135,081,645</b>	<b>(4,491,282)</b>	<b>(254,172)</b>	<b>47,849,466</b>	<b>178,185,657</b>
<b>Total Capital Assets, Net</b>	<b>\$ 172,552,456</b>	<b>\$ 18,392,854</b>	<b>\$ (369,172)</b>	<b>\$ -</b>	<b>\$ 190,576,138</b>

**(6) Leases**

COTA leases certain property and office equipment under operating leases. Rental expense for all operating leases was \$183,951 in 2014 and \$182,592 in 2013. Future minimum payments, by year, and in the aggregate, under these leases with initial or remaining terms of one year or more, consisted of the following at December 31, 2014:

	Commitments under Operating Leases
2015	\$ 5,264
2016	5,474
2017	5,693
<b>Total Minimum Lease Payments</b>	<b>\$ 16,431</b>

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(7) Grants, Reimbursements and Special Fare Assistance**

Grants, reimbursements and special fare assistance included in the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2014 and 2013, consist of the following:

	2014	2013
Federal:		
FTA Capital Assistance	\$ 22,926,484	\$ 26,307,024
FTA Operating Assistance	21,787	1,223,541
Total	\$ 22,948,271	\$ 27,530,565
State:		
ODOT Fuel Tax Reimbursement	\$ 745,356	\$ 829,592

**(8) Risk Management**

COTA is exposed to various risks of loss related to torts, theft or destruction of assets, injuries to employees and natural disasters. The Authority purchases commercial insurance for employee bonding, flood, fire, property, crime, travel and general liability. There have been no reductions in coverage nor have there been any settlements exceeding insurance coverage for the past three years.

COTA is self-insured for all public liability, personal injury and property damage claims. The estimated liability for such claims of \$275,402 at December 31, 2014, and \$151,401 at December 31, 2013, are included in estimated claims payable in the accompanying balance sheets. At December 31, 2014 and 2013, \$15,081,237 and \$15,046,134, respectively, were designated by the Board of Trustees to fund the self-insurance program. Such funds are included in board designated assets in the accompanying balance sheets.

Prior to June 30, 1998, COTA was insured through the State of Ohio Bureau of Workers' Compensation (BWC) for injuries to its employees. On July 1, 1998, the Authority entered into an agreement with the BWC to become self-insured for claims pertaining to work-related injuries to Authority employees occurring on or after that date. The BWC agreed to continue to administer and pay all compensation claims arising on or before June 30, 1998. The estimated remaining liability for all such claims occurring since July 1, 1998, is \$476,493 at December 31, 2014, and \$539,072 at December 31, 2013 and is included as a liability in the accompanying balance sheet.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

**(8) Risk Management (continued)**

The general claims liability was calculated by establishing reserves on a case-by-case basis after analysis by in-house counsel and outside attorneys. The workers' compensation liability was determined by analyzing claim lag information provided by COTA's third party administrators. A summary of changes in self-insurance claims liability for the years ended December 31, 2014 and 2013 follows:

	General Liability	Workers' Compensation
Claims liability at December 31, 2012	\$ 153,057	\$ 452,099
Incurred claims, net of favorable settlements	144,706	886,857
Claims paid	<u>(146,362)</u>	<u>(799,884)</u>
Claims liability at December 31, 2013	151,401	539,072
Incurred claims, net of favorable settlements	295,777	703,659
Claims paid	<u>(171,776)</u>	<u>(766,238)</u>
Claims liability at December 31, 2014	<u>\$ 275,402</u>	<u>\$ 476,493</u>

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding reserves. The amount of general liability and workers' compensation reserve expected to be paid within one year is \$114,402 and \$141,550, respectively.

**(9) Pension Plan**

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone, financial report. Interested parties may obtain a copy by visiting <http://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(9) Pension Plan (continued)**

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2014, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan.

The 2014 member contribution rates were 10.00% of earnable salary payroll for members in state and local classifications. Public safety and law enforcement members contributed 12.00% and 13.00%, respectively. The 2014 employer contribution rate for state and local employers was 14.00% of earnable salary. The law enforcement and public safety division employer contribution rate was 18.10% of earnable salary.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post – employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 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 Post Employment Benefit (OPEB) as described in GASB Statement 45. OPERS' eligibility requirements for post-employment health care coverage changed for those retiring on and after January 1, 2015. Please see the Plan Statement in the OPERS 2013 CAFR for details.

The Ohio Revised Code permits, but does not require, OPERS to provide OPEB benefits to its eligible benefit recipients. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issued a stand-alone financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2014, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised code. Active members do not make contributions to the OPEB plan.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(9) Pension Plan (continued)**

OPERS' Post-Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2014. Effective January 1, 2015, the portion of employer contributions allocated to healthcare remained at 2.0% for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The Authority's contributions to OPERS for the years ending December 31, 2014, 2013, and 2012 were approximately \$6,724,000, \$6,259,000, and \$6,055,000 respectively, equal to the required contributions for each year. The Authority's contributions actually made to fund post-employment benefits totaled \$960,000 in 2014, \$477,000 in 2013, and \$1,730,000 in 2012. For 2014, 2013, and 2012, 100% of the required contributions have been made.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4.0% of the employer contributions toward the health care fund after the end of the transition period.

**(10) Contingent Liabilities**

**Litigation**

It is the Authority's policy to act as self-insurer for certain insurable risks consisting primarily of public liability and property damage. At December 31, 2014, COTA has been named in various public liability and property damage claims and suits, some of which seek significant damages. The ultimate outcome of the claims and suits cannot be determined; however, it is the opinion of management that any resulting liability to the Authority in excess of that provided for in the accompanying balance sheet will not have a material adverse effect on the Authority's financial position.

**Federal and State Grants**

Under the terms of the Authority's various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At December 31, 2014, there were no material questioned costs that had not been resolved with appropriate federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of COTA's management, no material grant expenditures will be disallowed. FTA grant stipulations also require the granter to retain assets acquired by FTA funds for the full estimated asset life (as determined by the FTA). If this provision is not met, the granter must refund FTA's un-depreciated basis in assets disposed with a net book value greater than \$5,000.

(continued)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Notes to Financial Statements**  
**Years Ended December 31, 2014 and 2013**

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**(11) Fuel Pricing Management Program**

Pursuant to Ohio Revised Code sections 9.835 (A), (B), and section (C) the Central Ohio Transit Authority has established an energy price risk management program to decrease the volatility of diesel fuel cost, and increase the likelihood that actual net fuel costs will remain below the budgeted cost, increase the certainty of future cost, attain a lower overall cost of fuel in the long-term, and manage year-over-year changes in fuel cost. Within this program, COTA will acquire, hold, and dispose of positions in exchange-traded futures contracts and other financial instruments including but not limited to use of futures, options, options on future, or fixed price delivery contracts. In 2014 and 2013, heating oil #2 futures contracts were utilized. The COTA Board approval limits contracts in-place to a maximum hedge ratio of up to 100% of forecast consumption, up to thirty-six (36) months into the future. The initial value of each contract is zero. The price of diesel fuel purchased is the published Columbus, Ohio OPIS price for the week plus or minus a differential agreed to through a competitive bidding process. The differential to the published Columbus, Ohio OPIS price was \$0.0203 and \$0.0333 per gallon at December 31, 2014 and 2013, respectively. For the year ending December 31, 2014 a loss of \$140,228 (.05 cents per gallon) was recognized as an increase in diesel fuel expense. For the year ending 2013, a gain of \$304,004 (.10 cents per gallon) was recognized as a decrease in diesel fuel expense. On December 31, 2014 the open contracts had \$2,353,854 of unrealized loss. The amount realized will change based on market prices at the time contract settlements are fixed. There is no debt associated with these contracts.

**(12) Change in Accounting Principle for New GASB Statements**

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2014. The Authority is in the process of determining the impact to the financial statements.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. This Statement has no impact on the Authority's financial statements.

The GASB has issued Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions (i.e., non-exchange financial guarantees). The issuer of the guaranteed obligation can be a legally separate entity or individual, including a blended or discretely presented component unit. Guidance is provided for situations where a state or local government extends or receives a non-exchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013. This Statement has no impact on the Authority's financial statements.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Supplemental Schedule of Revenues, Expenses and**  
**Changes in Net Position - Budget vs. Actual (Accrual Basis)**  
**Year ended December 31, 2014**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(OVER/UNDER)</u> <u>VARIANCE</u>
OPERATING REVENUES.....	\$ 20,323,795	\$ 20,910,847	\$ 587,052
OPERATING EXPENSES OTHER THAN DEPRECIATION:			
Labor.....	48,909,157	43,215,656	5,693,501
Fringe benefits.....	23,165,648	28,401,612	(5,235,964)
Materials and supplies.....	16,253,619	15,908,436	345,183
Purchased transportation.....	7,658,219	7,652,337	5,882
Services.....	7,245,316	7,269,244	(23,928)
Utilities.....	2,082,994	2,179,358	(96,364)
Taxes.....	1,035,141	859,673	175,468
Leases and rentals.....	249,431	183,951	65,480
Claims and insurance, net of settlements.....	390,070	245,597	144,473
Advertising.....	280,600	243,894	36,706
Miscellaneous.....	733,890	1,034,123	(300,233)
Total.....	<u>108,004,085</u>	<u>107,193,881</u>	<u>810,204</u>
DEPRECIATION.....	<u>20,500,000</u>	<u>22,093,964</u>	<u>(1,593,964)</u>
Total operating expenses.....	<u>128,504,085</u>	<u>129,287,845</u>	<u>(783,760)</u>
OPERATING LOSS.....	<u>(108,180,290)</u>	<u>(108,376,998)</u>	<u>(196,708)</u>
NON-OPERATING REVENUES (EXPENSES):			
Sales tax revenues.....	115,609,422	118,662,543	3,053,121
Federal operating grant.....	-	21,787	21,787
State operating grants, reimbursements and special fare assistance.....	744,733	745,356	623
Investment income.....	360,000	384,324	24,324
Non-transportation and other revenues.....	937,276	933,174	(4,102)
Regional transit subsidy	-	(1,072,484)	(1,072,484)
Gain on sale of fixed assets.....	-	(29,921)	(29,921)
Total.....	<u>117,651,431</u>	<u>119,644,779</u>	<u>1,993,348</u>
Change before capital grants.....	9,471,141	11,267,781	1,796,640
CAPITAL GRANT REVENUE:			
Federal.....	29,340,729	22,926,484	(6,414,245)
Total.....	<u>29,340,729</u>	<u>22,926,484</u>	<u>(6,414,245)</u>
CHANGE IN NET POSITION.....	<u>38,811,870</u>	<u>34,194,265</u>	<u>(4,617,605)</u>
NET POSITION, BEGINNING OF YEAR.....	<u>331,324,812</u>	<u>331,324,812</u>	<u>-</u>
NET POSITION, END OF YEAR.....	<u>\$ 370,136,682</u>	<u>\$ 365,519,077</u>	<u>\$ (4,617,605)</u>

# STATISTICAL SECTION

This part of COTA's comprehensive annual financial report contains detailed information presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: The Statistical Section. These schedules provide additional details to better understand the financial statements, notes and required supplemental information.

## **Financial Trends and Revenue Capacity**

P45-53

These schedules indicate how the Authority's performance and conditions have changed over a ten year time frame. Also contained in these schedules is information to help the reader understand the Authority's most significant revenue sources.

## **Debt Capacity**

P54-56

These schedules indicate COTA specific debt service information as well as direct and overlapping debt computations from Franklin County.

## **Economic and Demographic Information**

P57-59

These schedules contain economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.

## **Operating Information**

P60-64

These schedules contain data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

**CENTRAL OHIO TRANSIT AUTHORITY**  
**NET POSITION COMPONENT**  
**Last Ten Fiscal Years**

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>NET POSITION</b>										
Investment in Capital Assets	\$ 82,895,537	\$ 61,349,114	\$ 64,712,680	\$ 79,797,680	\$ 106,204,159	\$ 134,494,411	\$ 150,015,663	\$ 172,552,456	\$ 190,576,138	\$ 208,365,365
Restricted for Capital Assets	649,631	-	-	-	-	-	-	-	-	-
Unrestricted	24,675,713	31,616,529	35,104,679	56,749,764	67,171,079	79,196,164	101,209,722	118,063,994	140,748,674	157,153,712
<b>TOTAL NET POSITION</b>	<b>\$ 108,220,881</b>	<b>\$ 92,965,643</b>	<b>\$ 99,817,359</b>	<b>\$ 136,547,444</b>	<b>\$ 173,375,238</b>	<b>\$ 213,690,575</b>	<b>\$ 251,225,385</b>	<b>\$ 290,616,450</b>	<b>\$ 331,324,812</b>	<b>\$ 365,519,077</b>

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis

Source: The Authority's independently audited annual financial statements

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Last Ten Fiscal Years**  
**(in thousands)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>OPERATING REVENUES:</b>										
Passenger fares for transit service	\$ 11,405	\$ 12,817	\$ 12,666	\$ 13,492	\$ 13,272	\$ 15,402	\$ 17,225	\$ 19,256	\$ 19,519	\$ 20,130
Special transit fares	326	360	391	486	535	656	671	772	775	781
Charter service revenue	12	-	-	-	-	-	-	-	-	-
Auxiliary transportation revenue	372	243	238	64	-	21	12	-	-	-
<b>Total operating revenues</b>	<b>12,115</b>	<b>13,420</b>	<b>13,295</b>	<b>14,042</b>	<b>13,807</b>	<b>16,079</b>	<b>17,908</b>	<b>20,028</b>	<b>20,294</b>	<b>20,911</b>
<b>OPERATING EXPENSES OTHER THAN DEPRECIATION</b>										
Labor	31,829	27,522	28,498	30,080	33,463	35,676	37,623	38,037	39,805	43,216
Fringe Benefits	21,156	18,476	18,334	18,930	21,490	23,384	24,302	24,676	26,120	28,402
Services	3,722	3,738	4,096	4,887	5,723	6,118	6,522	5,993	7,744	7,269
Materials and Supplies	4,224	4,319	4,759	5,142	5,515	5,857	6,297	6,307	6,958	7,372
Fuel	4,364	4,917	5,326	9,041	4,979	6,354	7,588	8,387	9,025	8,536
Utilities	1,571	1,436	1,502	1,711	1,727	1,894	1,937	1,552	1,811	2,179
Claims and Insurance	595	1,118	675	509	348	(84)	338	80	(454)	246
Taxes	743	727	766	817	900	960	937	934	1,037	860
Purchased transportation	4,531	4,608	5,016	6,071	6,053	6,061	6,533	6,733	7,136	7,652
Leases and rentals	570	359	209	223	351	341	284	185	183	184
Miscellaneous	508	471	586	940	833	769	743	854	938	1,278
<b>Total</b>	<b>73,813</b>	<b>67,691</b>	<b>69,767</b>	<b>78,351</b>	<b>81,382</b>	<b>87,330</b>	<b>93,104</b>	<b>93,738</b>	<b>100,303</b>	<b>107,194</b>
Depreciation	9,114	8,565	8,227	7,938	13,877	12,672	13,333	16,335	20,048	22,094
<b>Total operating expenses</b>	<b>82,927</b>	<b>76,256</b>	<b>77,994</b>	<b>86,289</b>	<b>95,259</b>	<b>100,002</b>	<b>106,437</b>	<b>110,073</b>	<b>120,351</b>	<b>129,288</b>
<b>OPERATING LOSS</b>	<b>(70,812)</b>	<b>(62,836)</b>	<b>(64,699)</b>	<b>(72,247)</b>	<b>(81,452)</b>	<b>(83,923)</b>	<b>(88,529)</b>	<b>(90,045)</b>	<b>(100,057)</b>	<b>(108,377)</b>
<b>NON-OPERATING REVENUES(EXPENSES)</b>										
Sales Tax Revenues	44,821	47,007	47,616	92,495	88,095	93,437	98,993	105,854	111,214	118,663
Federal operating grants and reimbursements	11,056	10,867	11,480	-	-	90	2,995	406	1,224	22
State operating grants, reimbursements and special fare assistance	1,185	1,456	1,416	1,488	1,409	962	996	917	830	745
Investment income	650	1,008	1,177	699	87	38	29	423	143	384
Non-transportation and other revenue	538	549	748	650	1,041	987	1,088	947	1,048	933
Local funds to Delaware Transit	-	-	-	-	-	-	-	-	-	(1,072)
Loss on sale of capital assets	(2,393)	(666)	-	(107)	(1,157)	(650)	(56)	(933)	-	(30)
<b>Total non-operating revenues(expenses)</b>	<b>55,857</b>	<b>60,221</b>	<b>62,437</b>	<b>95,225</b>	<b>89,475</b>	<b>94,864</b>	<b>104,045</b>	<b>107,614</b>	<b>114,459</b>	<b>119,645</b>
<b>Gain(Loss) before capital grants and special item</b>	<b>(14,955)</b>	<b>(2,615)</b>	<b>(2,262)</b>	<b>22,978</b>	<b>8,023</b>	<b>10,941</b>	<b>15,516</b>	<b>17,569</b>	<b>14,402</b>	<b>11,268</b>
<b>CAPITAL GRANT REVENUES</b>										
Federal	6,302	3,215	7,924	12,753	27,492	24,914	19,359	20,835	26,307	22,926
State	2,783	1,615	2,136	999	1,313	4,461	2,660	986	-	-
Donated Capital	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,085</b>	<b>4,830</b>	<b>10,060</b>	<b>13,752</b>	<b>28,805</b>	<b>29,375</b>	<b>22,019</b>	<b>21,821</b>	<b>26,307</b>	<b>22,926</b>
<b>SPECIAL ITEM</b>										
Loss on project impairment	-	(17,471)	(947)	-	-	-	-	-	-	-
<b>CHANGES IN NET POSITION</b>	<b>(5,870)</b>	<b>(15,256)</b>	<b>6,851</b>	<b>36,730</b>	<b>36,828</b>	<b>40,316</b>	<b>37,535</b>	<b>39,390</b>	<b>40,709</b>	<b>34,194</b>
NET POSITION, BEGINNING OF YEAR	114,091	108,221	92,966	99,817	136,547	173,375	213,691	251,226	290,616	331,325
NET POSITION, END OF YEAR	<u>\$ 108,221</u>	<u>\$ 92,965</u>	<u>\$ 99,817</u>	<u>\$ 136,547</u>	<u>\$ 173,375</u>	<u>\$ 213,691</u>	<u>\$ 251,226</u>	<u>\$ 290,616</u>	<u>\$ 331,325</u>	<u>\$ 365,519</u>

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis

Source: The Authority's independently audited annual financial statements

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Revenues by Source**  
**Last Ten Fiscal Years**  
(in thousands)

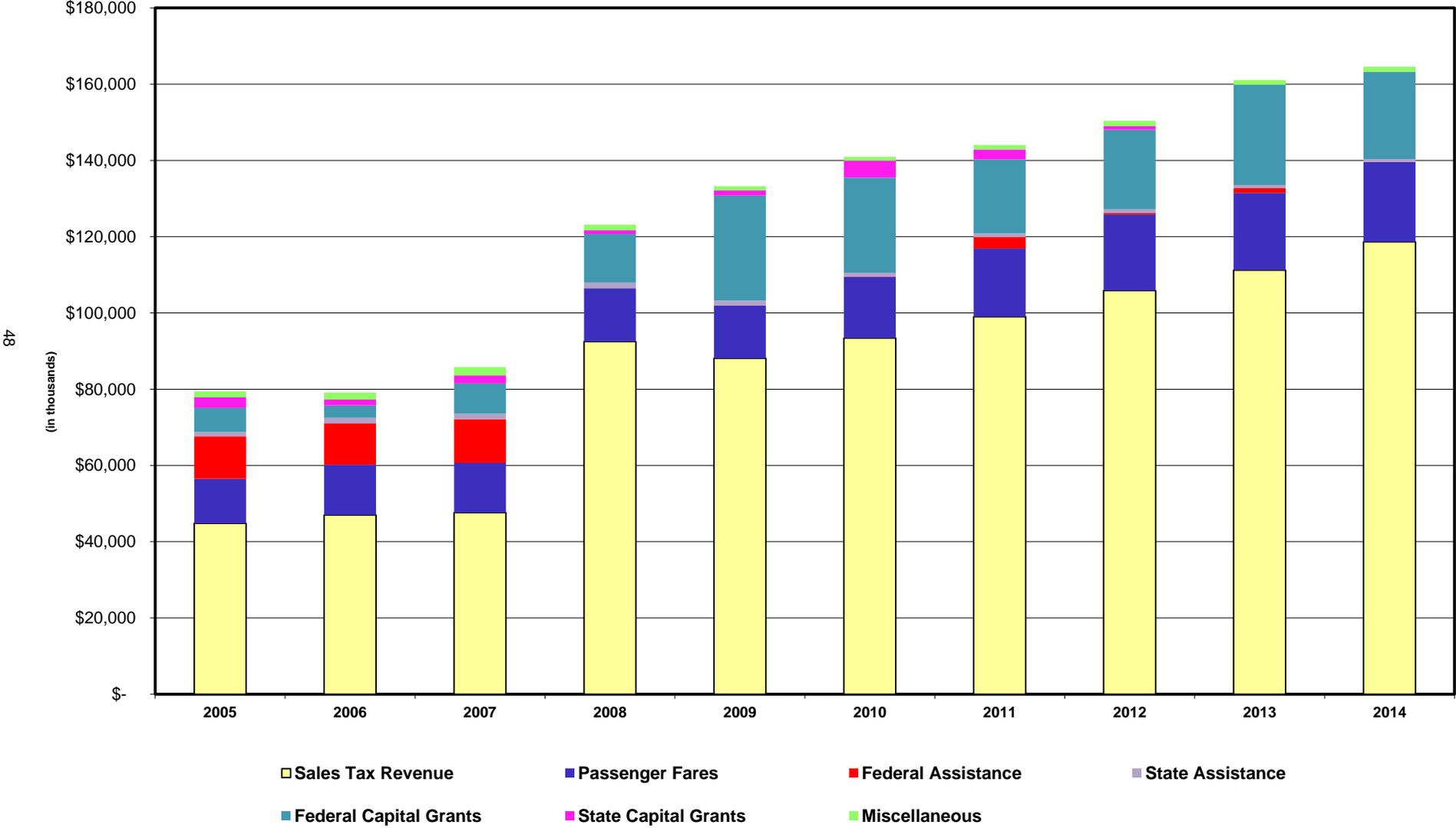
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>OPERATING REVENUES:</b>										
Passenger fares for transit service .....	\$ 11,405	\$ 12,817	\$ 12,666	\$ 13,492	\$ 13,272	\$ 15,402	\$ 17,225	\$ 19,256	\$ 19,519	\$ 20,130
Special transit fares .....	326	360	391	486	535	656	671	772	775	781
Charter service revenue .....	12	-	-	-	-	-	-	-	-	-
Auxiliary transportation revenue .....	372	243	238	64	-	21	12	-	-	-
<b>Total operating revenues .....</b>	<b>12,115</b>	<b>13,420</b>	<b>13,295</b>	<b>14,042</b>	<b>13,807</b>	<b>16,079</b>	<b>17,908</b>	<b>20,028</b>	<b>20,294</b>	<b>20,911</b>
<b>NON-OPERATING REVENUES:</b>										
Sales tax revenues .....	44,821	47,007	47,616	92,495	88,095	93,437	98,993	105,854	111,214	118,663
Federal operating grants and reimbursements .....	11,056	10,867	11,480	-	-	90	2,995	406	1,224	22
State operating grants, reimbursements and special fare assistance .....	1,185	1,456	1,416	1,488	1,409	962	996	917	830	745
Investment income .....	650	1,008	1,177	699	87	38	29	423	143	384
Non-transportation and other revenues .....	538	549	748	650	1,041	987	1,088	947	1,048	933
<b>Total nonoperating revenues before capital gifts and grants.....</b>	<b>58,250</b>	<b>60,887</b>	<b>62,437</b>	<b>95,332</b>	<b>90,632</b>	<b>95,514</b>	<b>104,101</b>	<b>108,547</b>	<b>114,459</b>	<b>120,747</b>
<b>Capital gifts and grants:</b>										
Federal capital grants.....	6,302	3,215	7,924	12,753	27,492	24,914	19,359	20,835	26,307	22,926
State and other capital grants.....	2,783	1,615	2,136	999	1,314	4,461	2,660	986	-	-
Donated capital.....	-	-	-	-	-	-	-	-	-	-
<b>Total non-operating revenues.....</b>	<b>67,335</b>	<b>65,717</b>	<b>72,497</b>	<b>109,084</b>	<b>119,438</b>	<b>124,889</b>	<b>126,120</b>	<b>130,368</b>	<b>140,766</b>	<b>143,673</b>
<b>TOTAL REVENUES .....</b>	<b>\$ 79,450</b>	<b>\$ 79,137</b>	<b>\$ 85,792</b>	<b>\$ 123,126</b>	<b>\$ 133,245</b>	<b>\$ 140,968</b>	<b>\$ 144,028</b>	<b>\$ 150,396</b>	<b>\$ 161,060</b>	<b>\$ 164,584</b>

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis

Source: The Authority's independently audited annual financial statements

# CENTRAL OHIO TRANSIT AUTHORITY

Revenues by Source  
Last Ten Fiscal Years



# CENTRAL OHIO TRANSIT AUTHORITY

## Revenues and Operating Assistance - Comparison to Industry Trend Data

### Last Ten Fiscal Years

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#### TRANSPORTATION INDUSTRY (1)

<u>YEAR</u>	<u>OPERATING AND OTHER REVENUE</u>			<u>OPERATING ASSISTANCE</u>			<u>TOTAL ALL REVENUES</u>
	<u>PASSENGER</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>STATE &amp; LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>	
2005	32.4	15.7	48.1	44.6	7.3	51.9	100.0
2006	33.2	15.3	48.5	43.8	7.7	51.5	100.0
2007	31.4	14.1	45.5	47.0	7.5	54.5	100.0
2008	31.2	12.9	44.1	48.9	7.0	55.9	100.0
2009	31.5	12.5	44.0	47.8	8.2	56.0	100.0
2010	32.1	11.9	44.0	46.6	9.4	56.0	100.0
2011	32.8	11.1	43.9	46.3	9.8	56.1	100.0
2012	32.5	11.1	43.6	47.5	8.9	56.4	100.0
2013	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*

#### CENTRAL OHIO TRANSIT AUTHORITY (2)

<u>YEAR</u>	<u>OPERATING AND OTHER REVENUE</u>			<u>OPERATING ASSISTANCE</u>			<u>TOTAL ALL REVENUES</u>
	<u>PASSENGER</u>	<u>OTHER</u> (3)	<u>TOTAL</u>	<u>STATE &amp; LOCAL</u> (4)	<u>FEDERAL</u>	<u>TOTAL</u>	
2005	14.8	13.4	28.2	57.9	13.9	71.8	100.0
2006	16.7	8.4	25.1	61.2	13.7	74.9	100.0
2007	15.2	14.2	29.4	57.2	13.4	70.6	100.0
2008	11.4	12.3	23.7	76.3	0.0	76.3	100.0
2009	10.4	22.5	32.9	67.2	0.0	67.2	100.0
2010	11.4	21.6	33.0	67.0	0.1	67.1	100.0
2011	12.4	16.1	28.5	69.4	2.1	71.5	100.0
2012	13.3	15.4	28.7	71.0	0.3	71.3	100.0
2013	12.6	17.1	29.7	69.5	0.8	70.3	100.0
2014	12.7	14.7	27.4	72.6	0.0	72.6	100.0

\* Information not available

(1) Source: The American Public Transit Association, APTA Transit Fact Book

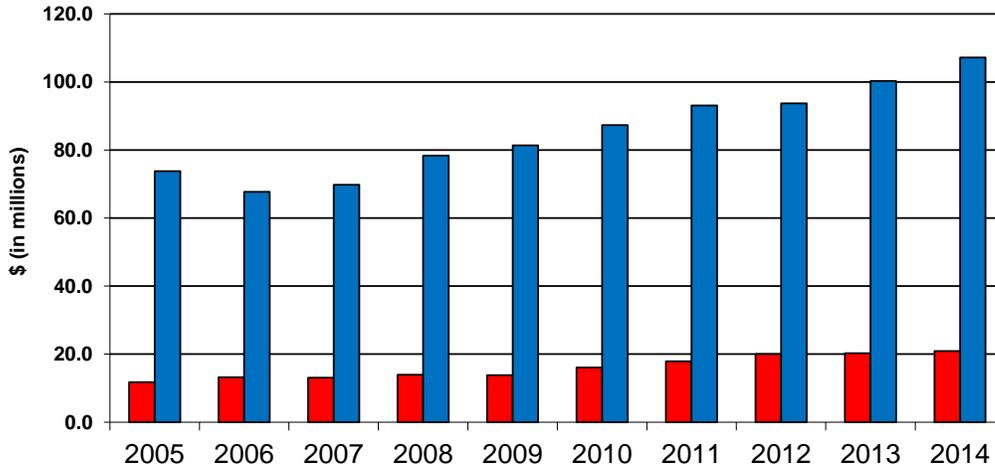
(2) Percentages are derived from the Authority's independently audited annual financial statements.

(3) Includes auxiliary transportation revenues, interest income, nontransportation, other revenues and capital grants

(4) Includes local sales tax revenues, and state operating grants, reimbursements, and special fare assistance

## CENTRAL OHIO TRANSIT AUTHORITY

**Farebox Revenues vs. Operating Expenses  
Last Ten Fiscal Years**

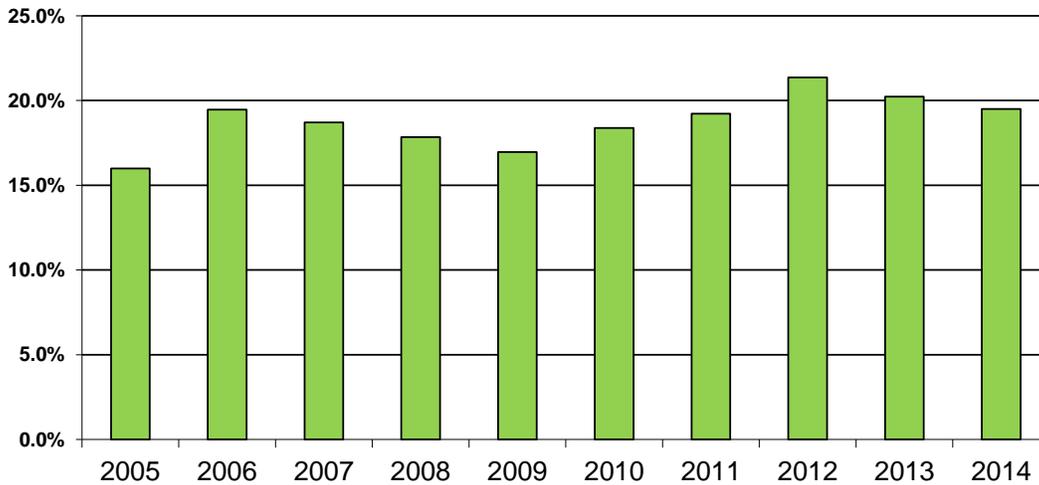


Farebox revenues include passenger, special transit, and charter revenues;  
operating expenses exclude depreciation

■ Farebox Revenues                      ■ Operating Expenses

## CENTRAL OHIO TRANSIT AUTHORITY

**Farebox Recovery Ratio  
Last Ten Fiscal Years**



Recovery ratio is calculated as farebox revenues (as defined above) divided by  
operating expenses (as defined above)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Expenses by Object Class**  
**Last Ten Fiscal Years**  
(in thousands)

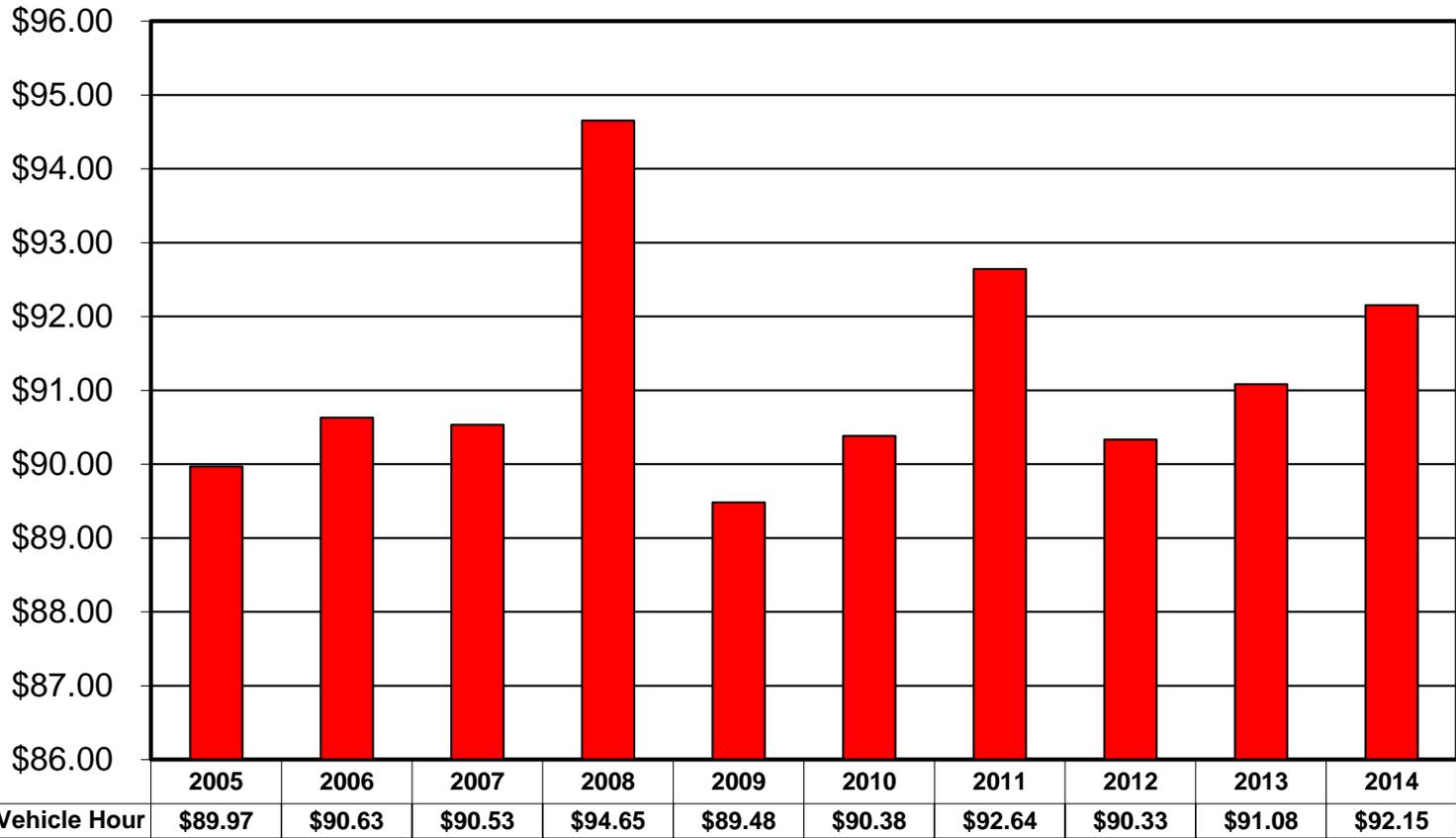
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>OPERATING EXPENSES</b>										
OTHER THAN DEPRECIATION:										
Labor .....	\$ 31,829	\$ 27,522	\$ 28,498	\$ 30,080	\$ 33,463	\$ 35,676	\$ 37,623	\$ 38,037	\$ 39,805	\$ 43,216
Fringe benefits .....	21,156	18,476	18,334	18,930	21,490	23,384	24,302	24,676	26,120	28,402
Services .....	3,722	3,738	4,096	4,887	5,723	6,118	6,522	5,993	7,744	7,269
Materials and supplies .....	4,224	4,319	4,759	5,142	5,515	5,857	6,297	6,307	6,958	7,372
Fuel .....	4,364	4,917	5,326	9,041	4,979	6,354	7,588	8,387	9,025	8,536
Utilities .....	1,571	1,436	1,502	1,711	1,727	1,894	1,937	1,552	1,811	2,179
Claims and insurance .....	595	1,118	675	509	348	(84)	338	80	(454)	246
Taxes .....	743	727	766	817	900	960	937	934	1,037	860
Purchased transportation .....	4,531	4,608	5,016	6,071	6,053	6,061	6,533	6,733	7,136	7,652
Leases and rentals .....	570	359	209	223	351	341	284	185	183	184
Miscellaneous .....	508	471	586	940	833	769	743	854	938	1,278
Total .....	73,813	67,691	69,767	78,351	81,382	87,330	93,104	93,738	100,303	107,194
DEPRECIATION .....	9,114	8,565	8,227	7,938	13,877	12,672	13,333	16,335	20,048	22,094
Total operating expenses .....	82,927	76,256	77,994	86,289	95,259	100,002	106,437	110,073	120,351	129,288
<b>NONOPERATING EXPENSES:</b>										
Loss on sale of capital assets	2,393	666	-	107	1,157	650	56	933	-	30
Regional transit subsidy	-	-	-	-	-	-	-	-	-	1,072
<b>TOTAL EXPENSES .....</b>	<b>\$ 85,320</b>	<b>\$ 76,922</b>	<b>\$ 77,994</b>	<b>\$ 86,396</b>	<b>\$ 96,416</b>	<b>\$ 100,652</b>	<b>\$ 106,493</b>	<b>\$ 111,006</b>	<b>\$ 120,351</b>	<b>\$ 130,390</b>

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis

Source: The Authority's independently audited annual financial statements

# CENTRAL OHIO TRANSIT AUTHORITY

Operating Expenses per Vehicle Hour  
Last Ten Fiscal Years



Operating expenses exclude depreciation

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Operating Expenses - Comparison to Industry Trend Data**  
**Last Ten Fiscal Years**

**TRANSPORTATION INDUSTRY (1)**

<u>YEAR</u>	<u>LABOR AND FRINGES</u>	<u>SERVICES</u>	<u>MATERIALS AND SUPPLIES</u>	<u>UTILITIES</u>	<u>CLAIMS AND INSURANCE</u>	<u>PURCHASED TRANSPORTATION</u>	<u>OTHER</u>	<u>TOTAL OPERATING EXPENSES</u>
2005	66.9%	5.8%	10.1%	3.2%	2.5%	13.8%	(2.3%)	100.0%
2006	66.1%	5.9%	11.3%	3.2%	2.5%	13.4%	(2.4%)	100.0%
2007	65.8%	6.1%	11.6%	3.4%	2.4%	13.0%	(2.3%)	100.0%
2008	63.9%	6.3%	12.8%	3.4%	2.2%	13.7%	(2.3%)	100.0%
2009	64.8%	6.6%	11.3%	3.5%	2.3%	14.0%	(2.5%)	100.0%
2010	65.2%	6.6%	10.7%	3.4%	2.6%	13.8%	(2.3%)	100.0%
2011	65.0%	6.6%	11.4%	3.3%	2.6%	13.3%	(2.2%)	100.0%
2012	64.0%	6.9%	11.7%	3.2%	2.2%	13.8%	(1.9%)	100.0%
2013	*	*	*	*	*	*	*	*
2014	*	*	*	*	*	*	*	*

**CENTRAL OHIO TRANSIT AUTHORITY (2)**

<u>YEAR</u>	<u>LABOR AND FRINGES</u>	<u>SERVICES</u>	<u>MATERIALS AND SUPPLIES</u>	<u>UTILITIES</u>	<u>CLAIMS AND INSURANCE</u>	<u>PURCHASED TRANSPORTATION</u>	<u>OTHER</u>	<u>TOTAL OPERATING EXPENSES (3)</u>
2005	71.8%	5.0%	11.6%	2.1%	0.8%	6.1%	2.6%	100.0%
2006	68.0%	5.5%	13.6%	2.1%	1.7%	6.8%	2.3%	100.0%
2007	67.1%	5.9%	14.5%	2.2%	1.0%	7.2%	2.1%	100.0%
2008	62.6%	6.2%	18.1%	2.2%	0.6%	7.7%	2.6%	100.0%
2009	67.5%	7.0%	12.9%	2.1%	0.4%	7.4%	2.7%	100.0%
2010	67.7%	7.0%	14.0%	2.2%	0.0%	6.9%	2.2%	100.0%
2011	66.6%	7.0%	14.9%	2.1%	0.5%	7.0%	1.9%	100.0%
2012	66.9%	6.4%	15.7%	1.7%	0.2%	7.2%	1.9%	100.0%
2013	65.7%	7.7%	15.9%	1.8%	-0.5%	7.1%	2.3%	100.0%
2014	66.8%	6.8%	14.8%	2.0%	0.2%	7.1%	2.3%	100.0%

\* Information not available

(1) Source: The American Public Transit Association, APTA Transit Fact Book

(2) Percentages are derived from the Authority's independently audited annual financial statements.

(3) Total operating expenses exclude depreciation

**CENTRAL OHIO TRANSIT AUTHORITY  
LEGAL DEBT MARGIN  
DECEMBER 31, 2014  
(IN THOUSANDS)**

**CALCULATION OF LEGAL OVERALL DEBT MARGIN:**

Total assessed property valuation of Authority (2014 tax year valuation) (1) .....	\$ 27,221,010,540
Multiplied by: Legal overall debt limitation (%) .....	5.00%
Equals: Total legal voted and unvoted debt limitation .....	\$ 1,361,050,527
Less: Nonexempt general obligation debt (voted and unvoted) (2) .....	\$ -
Equals: Legal overall debt margin (maximum amount permitted for new voted and unvoted nonexempt general obligation debt issuances) .....	\$ 1,361,050,527

**CALCULATION OF LEGAL UNVOTED DEBT MARGIN:**

Total assessed property valuation of Authority (2014 tax year valuation) (1) .....	\$ 27,221,010,540
Multiplied by: Legal unvoted debt limitation (%) .....	0.10%
Equals: Legal unvoted debt limitation .....	\$ 27,221,011
Less: Maximum aggregate amounts of principal and interest payable in any one calendar year (2) .....	\$ -
Equals: Legal unvoted debt margin (maximum annual debt service charges permitted for new unvoted nonexempt general obligation debt issuances).....	\$ 27,221,011

(1) Source: Franklin County Auditor's Office

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Ratio of General Bonded Debt to Assessed Value and**  
**Net Bonded Debt per Capita**  
**Last Ten Fiscal Years**

<u>YEAR</u>	<u>POPULATION</u>	<u>ASSESSED</u> <u>VALUE</u>	<u>GENERAL</u> <u>BONDED DEBT</u>	<u>RATIO OF</u> <u>BONDED DEBT TO</u> <u>ASSESSED VALUE</u>	<u>BONDED DEBT</u> <u>PER CAPITA</u>
	(1)	(2)	(3)		
2005	1,112,880	\$ 29,101,151,990	\$ -	0.00%	\$0.00
2006	1,095,662	\$ 29,193,651,687	\$ -	0.00%	\$0.00
2007	1,153,932	\$ 28,259,014,070	\$ -	0.00%	\$0.00
2008	1,160,308	\$ 28,772,964,620	\$ -	0.00%	\$0.00
2009	1,164,725	\$ 28,943,091,370	\$ -	0.00%	\$0.00
2010	1,163,414	\$ 28,868,029,740	\$ -	0.00%	\$0.00
2011	1,173,158	\$ 27,147,358,600	\$ -	0.00%	\$0.00
2012	1,168,018	\$ 26,973,196,500	\$ -	0.00%	\$0.00
2013	1,195,537	\$ 27,018,525,940	\$ -	0.00%	\$0.00
2014	*	\$ 27,221,010,540	\$ -	0.00%	*

\* Information not available

(1) U. S. Department of Commerce - Bureau of Economic Analysis

(2) Source: Franklin County Auditor's Office

(3) The Authority's independently audited annual financial statements

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Computation of Direct and Overlapping General Obligation Debt**  
**December 31, 2014**

Franklin County Total Value	\$26,358,683,160
Licking County (City of Reynoldsburg)	\$169,770,660
Delaware County (Westerville & Columbus)	\$543,199,960
Fairfield County (Columbus and Reynoldsburg)	\$149,356,760

**\*Assessed Value for COTA = \$ 27,221,010,540**

\* The above amounts are all less Tangible Personal

Political Subdivision	General Obligation Debt	Percentage Applicable to COTA	Amount Applicable to COTA
COTA	-	100.00%	-
Franklin County	287,698,589	100.00%	287,698,589
Cities wholly within COTA	617,561,864	100.00%	617,561,864
Cities with Overlapping:			
City of Dublin	31,540,000	84.23%	26,566,142
City of Pickerington	14,050,000	0.38%	53,390
Villages wholly within COTA	807,700	100.00%	807,700
Villages with Overlapping:			
Village of Canal Winchester	2,645,235	86.54%	2,289,186
Townships wholly within COTA	16,077,763	100.00%	16,077,763
Townships with Overlapping:			
Washington Township	1,550,000	84.47%	1,309,285
School Districts wholly within COTA	786,891,342	100.00%	786,891,342
School Districts with Overlapping:			
Canal Winchester Local S.D.	54,984,823	73.26%	40,281,881
Dublin City S.D.	140,738,554	78.85%	110,972,350
Hilliard City S.D.	124,639,887	99.99%	124,627,423
Licking Heights Local S.D.	49,962,877	52.22%	26,090,614
Olentangy Local S.D.	355,234,765	0.07%	248,664
Pickerington Local S.D.	114,722,014	1.62%	1,858,497
Plain Local S.D.	84,946,946	99.98%	84,929,957
South-Western City S.D.	188,094,989	99.83%	187,775,228
Teays Valley Local S.D.	33,404,034	0.07%	23,383
Westerville City S.D.	71,315,000	63.11%	45,006,897
Delaware County Joint Vocational S.D.	-	0.04%	-
Eastland Joint Vocational S.D.	2,450,000	58.19%	1,425,655
Licking County Joint Vocational S.D.	21,555,935	6.71%	1,446,403
Special District with Overlapping:			
Delaware County District Library	-	0.04%	-
New Albany/Plain Jnt Park District	6,149,476	99.98%	<u>6,148,246</u>
<b>Total</b>			<u><u>2,370,090,459</u></u>

Source: Ohio Municipal Advisory Council database

Notes: Percentage applicable to COTA equals the Franklin County value of the political subdivision divided by the total valuation. TY2012/CY2013 values are used.

Footnotes:

1. Total G.O. debt. Does not include OPWC, OWDA, or Stadium Facility Bonds or Notes

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

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<u>YEAR</u>	<u>POPULATION</u>	<u>PER CAPITA INCOME</u>	<u>MEDIAN AGE</u>	<u>K - 12 SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>
	(1)	(2)	(3)	(4)	(5)
2005	1,112,880	\$36,135	*	186,756	5.3%
2006	1,095,662	\$37,492	*	188,737	4.9%
2007	1,153,932	\$38,556	34.5	189,072	4.7%
2008	1,160,308	\$39,165	32.6	206,197	5.5%
2009	1,164,725	\$38,020	33.1	216,820	10.9%
2010	1,163,414	\$38,170	33.4	208,698	9.6%
2011	1,173,158	\$39,646	34.9	197,082	8.1%
2012	1,168,018	\$42,624	33.6	192,902	6.7%
2013	1,195,537	\$43,506	*	196,580	7.2%
2014	*	*	*	218,349	4.8%

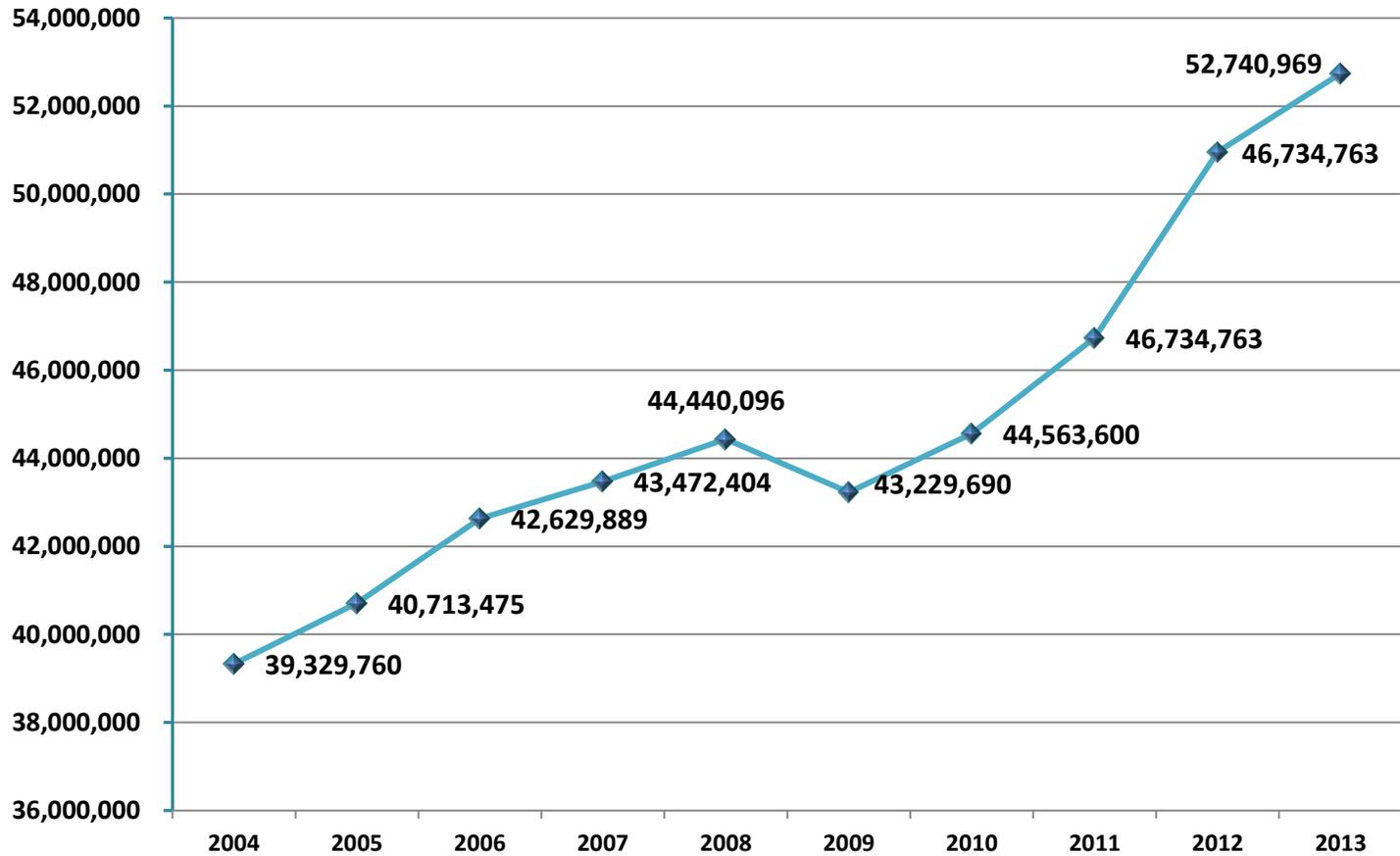
Note: All information presented is for Franklin County

\* Information not available

Sources:

- (1) U. S. Department of Commerce - Bureau of Economic Analysis
- (2) U. S. Department of Commerce - Bureau of Economic Analysis
- (3) U.S. Census Bureau
- (4) Ohio Department of Education - Division of Information Management Services
- (5) Ohio Department of Job and Family Services

**CENTRAL OHIO TRANSIT AUTHORITY  
PERSONAL INCOME OF FRANKLIN COUNTY, OHIO  
2004-2013  
(in thousands)**



Source: U.S. Bureau of Economic Analysis

**CENTRAL OHIO TRANSIT AUTHORITY  
LARGEST EMPLOYERS  
RANKED BY NUMBER OF CENTRAL OHIO EMPLOYEES**

Rank	Name of Employer	FTE 2013	% of Total	Rank	Name of Employer	FTE 2004	% of Total
1	Ohio State University	27,656	2.94%	1	State of Ohio	26,037	3.04%
2	State of Ohio	23,677	2.52%	2	Ohio State University	17,361	2.03%
3	JP Morgan Chase Bank	19,200	2.04%	3	JP Morgan Chase Bank	12,130	1.42%
4	OhioHealth Corp.	19,182	2.04%	4	Nationwide Mutual Insurance co.	11,293	1.32%
5	Kroger Co.	17,397	1.85%	5	United States Government	10,281	1.20%
6	Nationwide Mutual Insurance co.	11,300	1.20%	6	OhioHealth Corp.	8,398	0.98%
7	Mount Carmel Health System	8,410	0.89%	7	Columbus Public Schools	8,024	0.94%
8	City of Columbus	8,385	0.89%	8	City of Columbus	7,919	0.92%
9	Columbus City Schools	8,293	0.88%	9	Limited Brands Inc.	7,200	0.84%
10	Nationwide Children's Hospital	7,822	0.83%	10	Franklin County	6,218	0.73%

Source Business First, Book of Lists, 2013.

Source of 2013 % to Total: Bureau of Labor Statistics Data 940,940. Source of 2004 % to Total: Bureau of Labor Statistics Data 865,730.

# CENTRAL OHIO TRANSIT AUTHORITY

## Fare Rate Structure

### December 31, 2014

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**CASH OR TICKET FARES:**

Express .....	\$ 2.75
Local and Crosstown .....	2.00
Project Mainstream ADA Trip <sup>(1)</sup> .....	3.50
Project Mainstream Non-ADA Trip <sup>(1)</sup> .....	5.00
COTA LINK <sup>(2)</sup> .....	1.00
Transfer .....	Free

**DAY PASSES <sup>(3)</sup>:**

Adult <sup>(4)</sup> .....	\$ 4.50
Human Service Agency <sup>(5)</sup> .....	4.00
Children over 48" and under 12 years old, Senior Discount Card <sup>(6)</sup> , or Key Card <sup>(7)</sup> .....	2.25
Seven-Day Pass .....	25.00

**MONTHLY PASSES:**

Express .....	\$ 85.00
Local .....	62.00
Project Mainstream <sup>(1)</sup> .....	105.00
Senior Discount Card <sup>(6)</sup> , or Key Card <sup>(7)</sup> .....	31.00

**SPECIAL FARES:**

Children over 48" and under 12 years old, Senior Discount Card <sup>(6)</sup> , or Key Card <sup>(7)</sup> .....	\$ 1.00
Children under 48" tall .....	Free
All ADA Card <sup>(8)</sup> recipients on fixed-route bus service only .....	1.00

(1) Door-to-door service on demand, in wheelchair lift-equipped paratransit mini-buses, for eligible disabled riders holding an "ADA" card. ADA Trips are defined as trips originating 3/4 of a mile or less from an existing fixed-route bus line that is in operation within the time of day and day of the week. All other trips are considered a Non-ADA Trip.

(2) Shuttle-type service available in the Linden area during weekdays only

(3) Good for unlimited travel on all local/crosstown routes from time of validation until midnight

(4) Additional \$0.75 required for express service

(5) Distributed by approved nonprofit service agencies for use by their clientele

(6) Photo identification card, for riders aged 65 and over

(7) Photo identification card, for eligible disabled riders

(8) Photo identification card, for physically or mentally disabled riders eligible for Project Mainstream service

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Operating Statistics**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>SYSTEM RIDERSHIP</b>										
Motor bus.....	14,625,379	14,841,320	14,787,666	16,502,040	17,208,787	17,034,878	18,764,047	18,423,352	18,472,039	19,041,382
Demand responsive.....	164,167	168,899	182,181	216,489	237,949	238,290	259,883	268,960	277,467	285,817
<b>AVERAGE WEEKDAY SYSTEM RIDERSHIP</b>										
Motor bus.....	50,035	50,649	50,337	56,181	58,779	57,340	63,065	62,266	61,538	63,050
Demand responsive.....	556	559	591	709	779	782	858	873	887	935
<b>VEHICLE MILES OPERATED</b>										
Motor bus.....	9,791,598	8,866,548	9,017,363	9,460,805	10,519,662	11,049,687	11,518,844	11,859,067	12,569,131	13,258,367
Demand responsive.....	2,503,071	2,425,008	2,499,539	2,877,197	3,318,535	3,478,991	3,429,996	3,484,254	3,673,073	3,771,044
<b>AVERAGE WEEKDAY VEHICLE MILES OPERATED</b>										
Motor bus.....	32,819	29,465	30,085	32,134	35,331	36,911	38,551	39,047	41,152	42,354
Demand responsive.....	8,452	8,001	8,229	9,523	10,973	11,550	11,388	11,430	11,821	12,385
<b>REVENUE MILES</b>										
Motor bus.....	8,026,651	7,157,710	7,292,170	7,628,914	8,523,927	9,075,389	9,388,064	9,689,684	10,241,965	10,590,852
Demand responsive.....	2,135,309	2,133,486	2,248,932	2,567,604	2,803,983	2,875,824	3,003,424	3,082,210	3,276,594	3,382,851
<b>PASSENGER MILES</b>										
Motor bus.....	58,685,850	59,508,735	56,130,167	60,965,006	65,605,753	63,278,446	70,704,654	70,809,418	71,591,337	72,744,981
Demand responsive.....	1,596,026	1,677,786	1,802,332	2,113,438	2,352,821	2,387,942	2,571,127	2,696,146	2,846,852	2,922,005

Source: The Authority's annual *National Transit Database Report*, filed with the Federal Transit Administration

(continued on next page)

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Operating Statistics**  
**Last Ten Fiscal Years (continued)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
VEHICLE HOURS										
OPERATED (1)										
Motor bus.....	692,438	623,987	635,828	678,302	753,377	801,137	835,880	861,213	918,742	974,096
Demand responsive.....	127,981	124,675	134,796	149,480	156,103	165,099	169,102	176,468	182,477	189,120
VEHICLE REVENUE										
HOURS (1)										
Motor bus.....	628,815	566,343	577,336	615,332	685,030	732,886	766,606	789,004	841,428	879,037
Demand responsive.....	109,141	106,225	116,211	133,899	138,847	142,958	151,416	159,306	165,320	172,145
DIESEL, BIODIESEL, CNG GASOLINE FUEL USAGE (IN GALLONS).....(1)										
	2,496,363	2,092,315	2,396,400	2,592,382	2,738,935	2,877,839	2,979,458	2,969,188	3,133,556	3,339,858
FLEET REQUIREMENTS (DURING PEAK HOURS) (1)										
Motor bus.....	228	195	195	219	235	241	247	257	261	275
Demand responsive.....	47	46	46	58	56	56	56	68	60	68
TOTAL REVENUE VEHICLES DURING PERIOD (1)										
Motor bus.....	274	234	234	268	292	306	296	308	334	336
Demand responsive.....	57	55	60	62	66	65	64	74	66	74
NUMBER OF EMPLOYEES ..... (1)										
	690	616	669	699	782	793	853	852	865	924

Source:

( 1 ) The Authority's annual *National Transit Database Report* , filed with the Federal Transit Administration

**CENTRAL OHIO TRANSIT AUTHORITY  
Number of Employees and Labor Classification  
LAST TEN FISCAL YEARS**

<b>CLASSIFICATION</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
VEHICLE OPERATIONS	451	394	450	486	531	532	577	593	594	647
VEHICLE MAINTENANCE	112	102	101	99	116	114	123	117	121	123
NON-VEHICLE MAINTENANCE	38	30	25	27	33	37	36	35	30	28
GENERAL ADMINISTRATION	89	90	93	87	102	110	117	107	120	126
<b>TOTAL LABOR</b>	<b>690</b>	<b>616</b>	<b>669</b>	<b>699</b>	<b>782</b>	<b>793</b>	<b>853</b>	<b>852</b>	<b>865</b>	<b>924</b>

Source:

( 1 ) The Authority's annual *National Transit Database Report*, filed with the Federal Transit Administration

**CENTRAL OHIO TRANSIT AUTHORITY**  
**Miscellaneous Statistics**  
**For the Year ended December 31, 2014**

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Date of creation of Authority by local county and municipal governments .....	February 17, 1971
Date of acquisition of assets of Columbus Transit Company (C.T.C.) .....	June 29, 1973
Date of commencement of Authority operations .....	January 1, 1974
Form of government .....	Board of Trustees, with fulltime President/CEO
Number of Trustees .....	12 (one vacancy)
County in which Authority operates .....	Franklin County and small portions of adjacent Delaware, Fairfield, Union, and Licking Counties, Ohio
Type of tax support .....	Service Area Sales Tax - 1/4 % permanent 1/4 % temporary
Size of Authority .....	562
Miles of route .....	1080.3
Number of routes .....	67
Number of bus stop locations .....	3,450
Number of bus stop passenger shelters .....	372
Number of Park-and-Ride facilities .....	29
Parking capacity, all Park-and-Ride facilities .....	2,354
Number of active fleet buses .....	336
Average bus vehicle age .....	5
Average fixed-route system speed .....	13.61
Average fixed-route system fuel economy .....	4.8
Number of customer information calls received .....	1,851,886

Source: The Authority's annual *National Transit Database Report*, filed with the Federal Transit Administration  
Source: The Authority's non-financial operational statistics.

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# 2014

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## Comprehensive Annual Financial Report

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FOR FISCAL YEARS ENDED DECEMBER 31, 2014 AND 2013

PREPARED BY:

FINANCE DIVISION • JEFFREY S. VOSLER • CFO/VICE PRESIDENT FINANCE



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# Dave Yost • Auditor of State

**CENTRAL OHIO TRANSIT AUTHORITY**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 28, 2015**