



**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY
DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Greene County Transit Board, Greene County, Ohio as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 12 to the financial statements, the financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Board. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The Schedule of Expenditures of Federal Awards (the Schedule) as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2023, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 18, 2023

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**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

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

This discussion and analysis of Greene County Transit Board's (the Board) financial performance provides an overall review of the Board's financial activities for the year ended December 31, 2022. Readers should also review the basic financial statements and notes to the financial statements to enhance their understanding of the Board's financial performance.

Highlights

Key highlights for 2022 are as follows:

- The Board continued to rely on the Coronavirus Aid, Relief, and Economic Security (CARES) ACT and the American Rescue Plan Act (ARPA) to reimburse 100% of operating expenses not covered by other grants through May of 2022. It then began using federal 5307 Urban formula grant funding to reimburse 50% for the operating expenses and 80% for preventive maintenance expenses matched by Ohio Department of Transportation Urban Transit, Rides to Immunity, and Elderly and Disabled Half Fare grants, contract revenue, and investment funds. As a result of the combined reduction in federal funding and contract revenue, beginning July 1, 2022, Flex Route Service was reduced on weekdays and all service was eliminated on weekends.
- The Board increased fares for Flex Route rides from \$1.50 to \$2.00 per one-way trip, and for Scheduled Rides from \$3.00 to \$4.00 for in-county and \$6.00 to \$8.00 for out-of-county trips. Fares still only account for approximately 10% of the fully allocated cost of a trip and provide only 4% of total revenue.
- The 2022 Urban Transit Program funding for July 1, 2022, to June 30, 2023, from the Ohio Department of Transportation increased \$17,845 or 8% to \$239,222 from the previous year's grant, The Board received \$18,687 in Elderly and Disabled Transit Fare Assistance Program for the second time. The Rides to Immunity Grant provided through pandemic funds by the Ohio Department of Transportation was expended in September of 2022. The grant was used to provide free rides to medical appointments.
- The Board sold 10 vehicles through GOVDEALS.com. This brought the total fleet down to 36. Proceeds from the sale of vehicles totaled \$131,200. Even though all vehicles had reached the end of their useful lives, due to a change in federal regulations \$64,962 of the total receipts had to be returned to the Federal Transit Administration.
- The Board's receipts were almost \$3.2 million for the 2022 fiscal year. The breakdown of receipts is as follows:

Federal and state grants and reimbursements	\$2,333,117
Passenger fares and other revenues	\$ 855,461

- The Board approved a contract change effective July 1, 2022, with First Transit, current provider of operations and maintenance services, to provide wage increases to recruit and retain drivers and other operational and maintenance employees. Contract costs increased 10%, which was offset by a reduction in service.
- The Net Position of the Board decreased by 16.4% or \$545,711. The decrease is primarily due to a reduction in federal funding and contract revenues. Federal funding decreased from \$4.0 million in 2021 to \$2.0 million in 2022 since CARES Act and ARPA funds, covering 100% of operating costs, were expended in May of 2022. Contract revenue decreased 20% from \$764,355 in 2021 to \$610,689 in 2022 due to a rate reduction for and elimination of weekend service for Developmentally Disabled riders going to and from work.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

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

Using the Basic Financial Statements

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

Basic Financial Statements and Presentation

The basic financial statements presented by the Board are the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Board is structured as a single enterprise fund with revenues recognized when earned and measurable, not when received. Expenses are recognized when they are incurred, not when paid. Capital assets are capitalized and depreciated over their estimated useful lives.

The notes to the financial statements are an integral part of the financial statements and provide expanded explanations and details regarding the information reported in the financial statements.

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

The statement of revenues, expenses and changes in net position presents information showing how the Board's net position changed during the year. This statement summarizes operating revenues and expenses along with non-operating revenues and expenses. In addition, this statement reports capital grant revenues received from federal, state and local governments.

The statement of cash flows allows financial statement users to assess the Board's adequacy or ability to generate sufficient cash flows to meet current obligations. The statement is classified into five categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash-flows from capital financing activities, 4) cash flows from investing activities and 5) cash flows from extraordinary items. The federal, state and local grants received for capital assets are included in non-capital financing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

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

Condensed Summary of Net Position

	2022	2021	Change
Assets:			
Current assets	\$ 2,574,207	\$ 2,845,130	\$ (270,923)
Capital assets, net	920,822	1,326,128	(405,306)
Net OPEB Asset	72,290	40,371	31,919
Total assets	<u>3,567,319</u>	<u>4,211,629</u>	<u>(644,310)</u>
Deferred Outflows of Resources			
Deferred Outflows-Pension	96,551	60,704	35,847
Deferred Outflows-OPEB	<u>2,998</u>	<u>25,750</u>	<u>(22,752)</u>
Total Deferred Outflows of Resources	<u>99,549</u>	<u>86,454</u>	<u>13,095</u>
Liabilities:			
Current Liabilities	341,484	315,999	25,485
Long Term Liabilities			
Net Pension Liability	215,683	360,274	(144,591)
Net OPEB Liability			
Total Liabilities	<u>557,167</u>	<u>676,273</u>	<u>(119,106)</u>
Deferred Inflows of Resources			
Deferred Inflows-Pension	261,277	170,080	91,197
Deferred Inflows-OPEB	<u>74,690</u>	<u>132,285</u>	<u>(57,595)</u>
Total Deferred Inflows of Resources	<u>335,967</u>	<u>302,365</u>	<u>33,602</u>
Net Position:			
Net Investment in Capital Assets	920,822	1,326,128	(405,306)
Unrestricted	<u>1,852,912</u>	<u>1,993,317</u>	<u>(140,405)</u>
Total Net Position	<u>\$ 2,773,734</u>	<u>\$ 3,319,445</u>	<u>\$ (545,711)</u>

Current assets represent cash and outstanding receivable for services rendered in 2022. Capital assets consist mostly of vehicles.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

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

Condensed Summary of Revenues, Expenses, and Net Assets

	2022	2021	Change
Operating Revenues	\$ 743,246	\$ 841,271	\$ (98,025)
Operating expenses (excluding depreciation and pension expense)	(3,435,568)	(3,477,176)	41,608
Depreciation and Pension/OPEB expense			
Pension Expense	39,824	13,634	26,190
OPEB Expense	66,762	254,547	(187,785)
Depreciation expense	(405,307)	(480,366)	75,059
Operating income (loss)	<u>(2,991,043)</u>	<u>(2,848,090)</u>	<u>(142,953)</u>
Non-operating Revenues	<u>2,445,332</u>	<u>4,384,670</u>	<u>(1,939,338)</u>
Increase (decrease) in net position	<u>(545,711)</u>	<u>1,536,580</u>	<u>(2,082,291)</u>
Net position, beginning of year	<u>3,319,445</u>	<u>1,782,865</u>	<u>1,536,580</u>
Net position, end of year	<u>\$ 2,773,734</u>	<u>\$ 3,319,445</u>	<u>\$ (545,711)</u>

The Board's operating revenues decreased by \$98,025 to \$743,246 in 2022. This 12% decrease resulted from a decrease in ridership due to cutting Saturday and Sunday service effective July 1, 2022. The Board's expenses increased by \$44,928 to \$3,734,289 in 2022. The 1% increase resulted from an increase in OPEB expense. The 2022 decrease in non-operating revenues totaling \$1,939,338 is related to a decrease in federal reimbursement funding from the CARES Act and ARPA funds.

As a result of implementing the accounting standard for pension and OPEB, the Board is reporting a significant net pension liability and related deferred inflows of resources for the fiscal year which have a negative effect on net position. In addition, the Board is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to pension and OPEB, which have a positive impact on net position. The change in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. To further explain the impact of these accounting standards on the Board's net position, additional information is presented below.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

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

	<u>2022</u>	<u>2021</u>
Deferred outflows - pension	\$ 96,551	\$ 60,704
Deferred outflows - OPEB	2,998	25,750
Deferred inflows - pension	(261,277)	(170,080)
Deferred inflows - OPEB	(74,690)	(132,285)
Net pension liability	(215,683)	(360,274)
Net OPEB asset	<u>72,290</u>	<u>40,371</u>
Impact of GASB 68 and GABB 75 on net position	<u>\$ (379,811)</u>	<u>\$ (535,814)</u>

For 2022, the net expense impact of GASB 68 and 75 was \$156,003. This was from reporting the decrease in the Board's proportionate share of the pension and other post-employment benefit liability of the Ohio Public Employees Retirement System. This adjustment was a negative expense which decreased expenses.

Capital Assets

The Board's investment in capital assets was \$920,822 net of accumulated depreciation as of December 31, 2022. Capital assets include transit buses, shop equipment, tools, office and computer software and equipment.

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

Requests for Information

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

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**Greene County Transit Board
Greene County
STATEMENT OF NET POSITION
December 31, 2022**

ASSETS

Current Assets:

Cash, cash equivalents and investments	\$	2,239,120
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Receivables:

Trade	54,509
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Federal/State Grants	276,511
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Prepaid expenses	4,067
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Total current assets	2,574,207
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Long Term Assets:

Capital assets, net of accumulated depreciation	920,822
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Net OPEB Asset	72,290
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Total Assets	3,567,319
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Deferred Outflows Of Resources

Pension	96,551
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OPEB	2,998
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Total Deferred Outflows of Resources	99,549
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LIABILITIES

Current Liabilities:

Trade Payables	299,952
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Accrued payroll liabilities	41,532
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Total current liabilities	341,484
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Long Term Liabilities

Net Pension Liability	215,683
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Total liabilities	557,167
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Deferred inflows of resources

Deferred Pension Inflows	261,277
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Deferred OPEB Inflows	74,690
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Total Deferred Inflows of Resources	335,967
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Net Position

Invested in capital assets	920,822
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Unrestricted	1,852,912
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Total Net Position	\$ 2,773,734
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The accompanying notes are integral part of the financial statements.

Greene County Transit Board
Greene County
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2022

OPERATING REVENUES:	
Passenger Fares	\$ 131,938
Special Transit Fares	412,216
Medicaid	198,473
Other revenues	619
Total operating revenues	743,246
OPERATING EXPENSES:	
Labor	359,821
Fringe Benefits	5,579
Services	132,951
Materials and supplies	19,252
Utilities	12,562
Casualty and liability	5,194
Purchased transportation service	2,729,698
Leases and rentals	47,199
Miscellaneous	16,726
Total operating expenses	3,328,982
OPERATING INCOME (LOSS) BEFORE DEPRECIATION EXPENSE	(2,585,736)
DEPRECIATION EXPENSE:	
On assets acquired with capital grants	400,764
On other assets	4,543
Total depreciation expense	405,307
OPERATING INCOME (LOSS)	(2,991,043)
NON-OPERATING REVENUES (EXPENSES)	
Federal cash grants and reimbursements	2,044,408
State cash grants and reimbursements	288,709
Gain on Sale of Assets	86,640
Earnings on investments	25,575
Total non-operating revenues-net	2,445,332
INCREASE (DECREASE) IN NET POSITION	(545,711)
NET POSITION, beginning of year	3,319,445
NET POSITION, end of year	\$ 2,773,734

The accompanying notes are integral part of the financial statements.

Greene County Transit Board
Greene County
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from passengers	\$ 709,071
Cash received from miscellaneous items	619
Cash payments to suppliers for goods and services	(2,870,258)
Cash payment to employees for services	(356,653)
Cash payments for employee benefits	(159,489)
Net cash used by operating activities	<u>(2,676,710)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Federal Grants	2,296,396
State Grants	226,769
Net cash provided by non-capital financing activities	<u>2,523,165</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Proceeds from sale of capital assets	86,640
Net Cash Provided By Capital Financing Activities	<u>86,640</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Earnings on Investments	25,575
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NET DECREASE IN CASH, CASH EQUIVALENTS AND INVESTMENTS **(41,330)**

CASH, CASH EQUIVALENTS AND INVESTMENTS-beginning of year **2,280,450**

CASH, CASH EQUIVALENTS AND INVESTMENTS-end of year **2,239,120**

RECONCILIATION OF OPERATING LOSS TO NET USED BY OPERATING ACTIVITIES

Operating Loss	(2,991,043)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	405,307
Change in operating assets and liabilities:	
Trade Receivables	10,127
Prepaid Expense	29,418
Trade Payables	20,223
Accrued payroll and payroll liabilities	5,261
Deferred Outflows-Pension	(35,847)
Deferred Outflows-OPEB	22,752
Net Pension Liability	(144,591)
Net OPEB Asset	(31,919)
Deferred Inflows-Pension	91,197
Deferred Inflows-OPEB	(57,595)

NET CASH USED BY OPERATING ACTIVITIES **\$ (2,676,710)**

The accompanying notes are integral part of the financial statements.

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**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Organization

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

B. Reporting Entity

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

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

C. Basis Of Accounting

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

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

D. Cash, Cash Equivalents And Investments

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

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During fiscal year 2022, the Board invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The Board measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

E. Trade Receivables

Trade receivables are carried at the original invoice amount, less an estimate made for doubtful accounts, based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. It is the opinion of management that as of December 31, 2022, all trade receivables are collectible. Accordingly, no allowance has been provided for in these financial statements. As accounts are deemed uncollectible, they are charged to bad debt expense. Recoveries of receivables previously written off are recognized when received.

F. Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. It is the opinion of management that as of December 31, 2022, all grants receivable are collectible. Accordingly, no allowance has been provided for in these financial statements.

G. Capital Assets

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

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

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

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Compensated Absences

Employees who resign or retire after one year of service are entitled to full compensation for all earned unused vacation. There is no year of service requirement in order to be paid for accrued comp time at termination. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive a termination sick leave benefit. Employees who retire with more than 10 years of service are entitled to receive payment for a percentage of unused sick leave. Unused sick leave pay is lost upon termination for employees with less than 10 years of service. As of December 31, 2022, there was no accrual for unused sick leave for Board employees.

I. Net Position

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

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

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

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

J. Classifications Of Revenue

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

K. Revenue Recognition

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

L. Estimates And Uncertainties

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

M. Subsequent Events

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

N. PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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

The current accounting standard requires the Board to report their proportionate share of the net pension/OPEB liability or OPEB asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and post-employment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or OPEB asset. Under the new standards, the net pension/OPEB liability or OPEB asset equals the Board proportionate share of the pension plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post-employment benefits. The unfunded portion of this benefit of exchange is a liability of the Board. However, the Board is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The Board has no control over the changes in the benefits, contributions rate, and return on investments affecting the balance of these liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

A. Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be returned. Protection of the Transit Board's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

As of December 31, 2022, the carrying amount of the Board's deposits was \$1,899,713 and the bank balance was \$1,901,978. Of the bank balance, \$1,901,978 was covered by federal depository insurance.

B. Investments

The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. As of December 31, 2022, the Board's investments at amortized cost were \$338,907 which was 100% invested in STAROhio.

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

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

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

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2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

C. Reconciliation of Cash, Cash Equivalents and Investments

A reconciliation of cash, cash equivalents and investments to the statement of net position balance as of December 31, 2022 is as follows:

Investment in STAROhio	\$338,907
Carrying amount of Government Insured Deposit Program deposits	1,667,682
Carrying amount of the Board's bank deposits	232,031
Petty Cash	500
Total, cash, cash equivalents and investments	\$2,239,120

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is as follows:

	Balance		Category		Balance
	12/31/2021	Additions	Adjustments*	Disposals	12/31/2022
Cost basis:					
Transportation equipment	\$ 3,430,355		\$ 17,462	\$ 608,998	\$ 2,838,819
Computer equipment	355,684		(17,291)		338,393
Furniture and fixtures	50,619		(8,569)		42,050
Tools	145,650		8,398		154,048
Total capital assets being depreciated	3,982,308	-	-	608,998	3,373,310
Accumulated depreciation:					
Transportation equipment	2,017,583	391,698	132,275	608,998	1,932,558
Computer equipment	337,772	4,245	(4,263)		337,754
Furniture and fixtures	38,518	2,022	1,113		41,653
Tools	262,307	7,342	(129,125)		140,524
Total accumulated depreciation	2,656,180	405,307	0	608,998	2,452,489
Net book value	\$ 1,326,128	\$ 405,307	\$ (0)	\$ -	\$ 920,821

*Category adjustments were made to the capital asset listing for 2022

4. PURCHASED TRANSPORTATION SERVICES

The Board has contracted with a local transportation company to provide public transit services for Greene County. Expenses under this contract totaled \$2,729,698 for the year ended December 31, 2022. All passenger fares related to these transit services are collected by the Board and recognized as revenue.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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5. DEFINED BENEFIT PENSION AND OPEB PLANS

Net Pension Liability/Net OPEB Liability

Pensions and OPEB are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions/OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The remainder of this note discusses the pension disclosures. See Note 6 for the OPEB disclosures.

Ohio Public Employees Retirement System

Plan Description - The Board employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the tradition plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about

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OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

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

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

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member's base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

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	<u>State and Local</u>
2022 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
 2022 Actual contribution rates	
Employer:	
Pension	14.00 %
Post-employment health care benefits	<u>-</u>
Total employer	<u>14.00 %</u>
 Employee	 <u>10.00 %</u>

The Board's contractually required contribution for the Traditional Pension Plan was \$49,417 for 2022. Of this amount, \$0 is reported as an accrued payroll liability.

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

The net pension liability for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on the Board's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	
	<u>2022</u>	<u>2021</u>
Proportion of the pension liability - prior measurement date	0.002433 %	0.002358 %
Proportion of the pension liability - current measurement date	<u>0.002479 %</u>	<u>0.002433 %</u>
Change in proportionate share	<u>0.000046 %</u>	<u>0.000075 %</u>
 Proportionate share of net pension liability	 \$ 215,683	 \$ 360,274
Pension expense	\$ (39,824)	\$ (13,634)

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

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	OPERS	
	2022	2021
Deferred outflows of resources		
Net differences between expected and actual experience	\$ 10,995	\$ -
Changes of assumptions	26,971	-
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	9,168	10,326
Employer contributions subsequent to the measurement date	49,417	50,378
Total deferred outflows of resources	\$ 96,551	\$ 60,704
Deferred inflows of resources		
Differences between expected and actual experience	\$ 4,730	\$ 15,071
Net difference between projected and actual earnings on pension plan investments	256,547	140,424
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	-	14,585
Total deferred inflows of resources	\$ 261,277	\$ 170,080

\$49,417 reported as deferred outflows of resources related to pension resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year ending December 31:	
2023	\$ (26,395)
2024	(86,613)
2025	(60,325)
2026	(40,810)
Total	\$ (214,143)

Actuarial Assumptions - OPERS

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

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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

Wage inflation	2.75 percent
Future salary increases, including inflation -Traditional plan	2.75 percent to 10.75 percent
Future salary increases, including inflation - Combined plan	2.75 percent to 8.25 percent
COLA or Ad Hoc COLA	Pre January 7, 2013 retirees, 3 percent, simple Post January 7, 2013 retirees, 3 percent, simple through 2022, then 2.05 percent, simple
Investment rate of return	6.9 percent
Actuarial cost method	Individual entry age

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

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

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3% for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class.

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These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (Geometric)</u>
Fixed income	24.00%	1.03%
Domestic equities	21.00%	3.78%
Real estate	11.00%	3.66%
Private equity	12.00%	7.43%
International equities	23.00%	4.88%
Risk parity	5.00%	2.92%
Other investments	<u>4.00%</u>	<u>2.85%</u>
Total	<u>100.00%</u>	<u>4.21%</u>

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

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Board's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9%) or one-percentage-point higher (7.9%) than the current rate:

	1% Decrease <u>(5.90%)</u>	discount rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Employer proportionate share of the net pension liability	\$ 568,658	\$ 215,683	\$ 78,039

6. DEFINED BENEFIT OPEB PLANS

Net OPEB Liability (Asset)

See Note 5 for the description of the net OPEB liability (asset)

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

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

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Board's contractually required contribution was \$0 for 2022.

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

The net OPEB liability or asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Board's proportion of the net OPEB liability or asset was based on the Board's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	
	<u>2022</u>	<u>2021</u>
Proportion of the net OPEB liability - prior measurement date	0.002266%	0.0021960%
Proportion of the net OPEB liability or asset - current measurement date	<u>0.002308%</u>	<u>0.0022660%</u>
Change in proportionate share	<u>0.000042%</u>	<u>0.000070%</u>
Proportionate share of the net OPEB liability (asset)	(\$72,290)	(\$40,371)
OPEB expense	(\$66,762)	(\$254,547)

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

	<u>OPERS</u>	
	<u>2022</u>	<u>2021</u>
Deferred outflows of resources		
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	19,847
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	<u>2,998</u>	<u>5,903</u>
Total deferred outflows of resources	<u>\$ 2,998</u>	<u>\$ 25,750</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 10,965	\$ 36,434
Net difference between projected and actual earnings on OPEB plan investments	34,463	21,502
Changes of assumptions	29,262	65,412
Changes in proportionate share and difference between Authority contributions and proportionate share of contributions	<u>-</u>	<u>8,937</u>
Total deferred inflows of resources	<u>\$ 74,690</u>	<u>\$ 132,285</u>

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

\$0 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	<u>OPERS</u>
2023	\$ (43,438)
2024	(15,774)
2025	(7,530)
2026	<u>(4,950)</u>
Total	<u>\$ (71,692)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Experience study	5 - year period ended December 31, 2020
Wage inflation	2.75 percent
Projected salary increases	2.75 to 10.75 percent (includes wage inflation at 3.25 percent)
Single discount rate:	
Current measurement date	6.00 percent
Prior measurement date	6.00 percent
Investment rate of return	6.00 percent
Municipal bond rate	1.84 percent
Health care cost trend rate	5.50 percent, initial 3.50 percent, ultimate in 2034
Actuarial cost method	Individual entry age normal

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	34.00%	0.91%
Domestic equities	25.00%	3.78%
Real estate investment trust	7.00%	3.71%
International equities	25.00%	4.88%
Risk parity	2.00%	2.92%
Other investments	<u>7.00%</u>	<u>1.93%</u>
 Total	 <u>100.00%</u>	 <u>3.45%</u>

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 14.3 percent for 2021.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Discount Rate A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the Board's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate The following table presents the Board's proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	<u>1% Decrease</u> <u>(5.00%)</u>	Current discount rate <u>(6.00%)</u>	<u>1% Increase</u> <u>(7.00%)</u>
Proportionate share of the net OPEB (asset)	\$ (42,513)	\$ (72,290)	\$ (97,005)

Sensitivity of the Board's Proportionate Share of the Net OPEB asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	<u>1% Decrease</u>	Current health care cost trend rate <u>assumption</u>	<u>1% Increase</u>
Proportionate share of the net OPEB (asset)	(\$73,071)	(\$72,290)	(\$71,363)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

7. FEDERAL AND STATE GRANTS AND REIMBURSEMENTS

Federal and state grants and reimbursements in the statement of revenues, expenses and changes in net position for the year ended December 31, 2022, consist of the following:

Federal – FTA maintenance and other assistance	\$2,044,408
State – Formula funds	288,709

8. RISK MANAGEMENT

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

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

9. LEASE OBLIGATION

In March 2020, the Board entered into a five-year lease for office space with a third party for the years 2020-2024. Future minimum lease payments for the office space for the years subsequent to December 31, 2022, is as follows:

<u>Year Ending</u>	<u>Amount</u>
December 31, 2023	43,564
December 31, 2024	<u>43,564</u>
	<u>\$87,128</u>

Rent expense totaled \$43,564 for the year ended December 31, 2022.

10. FEDERAL AND STATE GRANTS

The Board participates in federally assisted programs. These programs are subject to financial and compliance audits by the grantor or their representative. As of December 31, 2022, audits of certain programs have not been completed. Accordingly, the Board's compliance with applicable grant requirements will be established at a future date. The Board believes that disallowed claims if any will not have a material adverse effect on the Board's financial position.

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

11. SUBSEQUENT EVENTS

2020 Census Designation

As a result of the 2020 Census, the Federal Transit Administration (FTA) has now identified Greene County Transit Board as operating outside an Urbanized Area (an area of 50,000 or more in population) however, a significant portion of the Transit Board's transit service will continue to operate in the western portion of the county which is within the Dayton Urbanized Area as established by the Census Bureau. The Transit Board will also continue to provide service in the rest of the county as well, which is considered Non-Urbanized. This new designation will affect how Federal transit funding is awarded to the Transit Board. Beginning in Federal Fiscal Year 2024 the Transit Board will be eligible to receive funding under both the FTA's Section 5307 Urbanized Area Program and Section 5311 Non-Urbanized Area Program and will apply for both programs. The combined level of federal funding from both programs will not be known until the spring of 2024.

Regional Funding Swap

The Transit Board has approved a regional funding agreement with the Greater Dayton Regional Transit Authority to transfer federal Urban Formula 5307 funds in exchange for local funds. This exchange will secure the local matching funds required to match already awarded federal grants for operations and preventive maintenance grants in CY2024.

12. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in May 2023. During 2022, the Board received COVID-19 funding. The Transit Board has expended all available relief funds awarded to continue operating transit service and has adjusted the level of service to current levels of funding. The financial impact of COVID-19 and the continuing recovery measures may impact subsequent periods of the Board.

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Greene County Transit Board

Required Supplementary Information

Schedule of Board Proportionate Share of the Net Pension Liability

Last Nine Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Ohio Public Employees Retirement System (OPERS) - Traditional Plan									
Board's proportion of the net pension liability	0.002479%	0.002433%	0.002358%	0.002668%	0.002682%	0.002576%	0.002415%	0.002287%	0.002287%
Board's proportionate share of the net pension liability	\$ 215,683	\$ 360,274	\$ 466,075	\$ 730,711	\$ 420,754	\$ 584,966	\$ 418,308	\$ 275,838	\$ 269,608
Board's covered payroll	\$ 359,843	\$ 342,729	\$ 331,757	\$ 358,207	\$ 381,677	\$ 388,430	\$ 350,604	\$ 280,433	\$ 257,977
Board's proportionate share of the net pension liability as a percentage of its covered payroll	59.94%	105.12%	140.49%	203.99%	110.24%	150.60%	119.31%	98.36%	104.51%
Plan fiduciary net position as a percentage of total pension liability	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Information prior to 2014 is not available and the amounts presented are as of the Board's measurement date which is the prior year end.

Greene County Transit Board
 Required Supplementary Information
 Schedule of Board Contributions - Pension
 Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Ohio Public Employees Retirement System (OPERS) - Traditional Plan										
Contractually required contribution	\$ 49,417	\$ 50,378	\$ 47,982	\$ 46,446	\$ 50,149	\$ 49,618	\$ 46,612	\$ 42,073	\$ 33,652	\$ 33,537
Contributions in relation to contractually required contribution	(49,417)	(50,378)	(47,982)	(46,446)	(50,149)	(49,618)	(46,612)	(42,073)	(33,652)	(33,537)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board covered payroll	\$ 352,979	\$ 359,843	\$ 342,729	\$ 331,757	\$ 358,207	\$ 381,677	\$ 388,430	\$ 350,604	\$ 280,433	\$ 257,977
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

Greene County Transit Board

Required Supplementary Information

Schedule of Board Proportionate Share of the Net OPEB Liability or Asset Last Six Years (1)

	2022	2021	2020	2019	2018	2017
Ohio Public Employees Retirement System (OPERS)						
Board's proportion of the net OPEB liability or asset	0.002308%	0.002266%	0.002196%	0.002485%	0.002502%	0.002409%
Board's proportionate share of the net OPEB liability (asset)	\$ (72,290)	\$ (40,371)	\$ 303,325	\$ 323,985	\$ 271,699	\$ 243,317
Board's covered payroll	\$ 359,843	\$ 342,729	\$ 331,757	\$ 358,207	\$ 381,677	\$ 388,430
Board's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	-20.09%	-11.78%	91.43%	90.45%	71.19%	62.64%
Plan fiduciary net position as a percentage of total OPEB liability or asset	128.23%	115.57%	47.80%	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available and the amounts presented are as of the Board's measurement date which is the prior year end.

Greene County Transit Board
 Required Supplementary Information
 Schedule of Board Contributions - OPEB
 Last Ten Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Ohio Public Employees Retirement System (OPERS)										
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,343	\$ 6,731	\$ 6,020	\$ 5,623	\$ 2,580
Contributions in relation to contractually required contribution	-	-	-	-	-	(3,343)	(6,731)	(6,020)	(5,623)	(2,580)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board covered payroll	\$ 352,979	\$ 359,843	\$ 342,729	\$ 331,757	\$ 358,207	\$ 381,677	\$ 388,430	\$ 350,604	\$ 280,433	\$ 257,977
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%	2.00%	1.00%

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Pension Liability

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability or Asset

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2022. See the notes to the basic financial statements for the methods and assumptions in this calculation.

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**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

FEDERAL GRANTOR
Pass Through Grantor

PROGRAM/CLUSTER TITLE	GRANT NUMBER	ASSISTANCE LISTING NUMBER	EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION			
FEDERAL TRANSIT ADMINISTRATION			
<i>Direct</i>			
FEDERAL TRANSIT CLUSTER			
COVID-19 FEDERAL TRANSIT FORMULA GRANTS	OH-2020-025-00	20.507	\$ 234,036
COVID-19 FEDERAL TRANSIT FORMULA GRANTS	OH-2022-004-00	20.507	\$ 810,193
FEDERAL TRANSIT FORMULA GRANTS	OH-2022-014-00	20.507	<u>\$ 923,637</u>
TOTAL FEDERAL TRANSIT FORMULA GRANTS/FEDERAL TRANSIT CLUSTER			<u>\$ 1,967,866</u>
<i>Passed Through Greater Dayton Regional Transit Authority</i>			
TRANSIT SERVICES PROGRAMS CLUSTER			
ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES	OH-2017-007	20.513	<u>\$ 76,542</u>
Total U.S. Department of Transportation			<u>\$ 2,044,408</u>
Total Federal Award Expenditures			<u><u>\$ 2,044,408</u></u>

**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Greene County Transit Board (the Board's) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Board.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Greene County Transit Board, Greene County, (the Board) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated September 18, 2023, wherein we noted the financial impact of COVID-19 and continuing recovery measures may impact subsequent periods of the Board.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

September 18, 2023

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Greene County Transit Board's, Greene County, (the Board) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Board's major federal program for the year ended December 31, 2022. The Board's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Greene County Transit Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

September 18, 2023

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**GREENE COUNTY TRANSIT BOARD
GREENE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



GREENE COUNTY TRANSIT BOARD

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/28/2023

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

This report is a matter of public record and is available online at
www.ohioauditor.gov