



OHIO AUDITOR OF STATE
KEITH FABER



**STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY**

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Attachment: Annual Comprehensive Financial Report

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**Stark Area Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal AL Number	Federal Grant Number	Passthrough to Subrecipients	Federal Expenditures
<u>U.S. Department of Transportation</u>				
Direct				
Federal Transit Cluster				
Federal Transit Formula Grants:	20.507	OH-2020-011-00		101,163
	20.507	OH-2021-001-00		8,216,226
	20.507	OH-2021-006-00		332,001
	20.507	OH-2021-046-00		665,719
	20.507	OH-2022-030-00		10,380,808
Total AL #20.507			\$	19,695,917
Direct				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs:	20.526	OH-2023-016-00		2,590,762
Total AL #20.526				2,590,762
Total Federal Transit Cluster			\$	22,286,679
Direct				
Public Transportation Innovation:	20.530	OH-2020-032-00	\$ 184,913	\$ 189,917
Total AL #20.530			\$ 184,913	\$ 189,917
Direct				
Community Project Funding Congressionally Directed Spending:	20.534	OH-2023-030-00	\$ 77,620	\$ 77,620
Total AL #20.534			\$ 77,620	\$ 77,620
Direct				
Strengthening Mobility and Revolutionizing Transportation Grants Program	20.941	69A3552441029	\$ 396,921	\$ 397,874
Total AL #20.941			\$ 396,921	\$ 397,874
Direct				
Transit Services Program Cluster				
Enhanced Mobility for Seniors and Individuals with Disabilities:	20.513	OH-2020-042-00	-	3,685
	20.513	OH-2021-005-00	-	1,234
	20.513	OH-2021-023-00	-	3,311
	20.513	OH-2021-036-00	707	707
	20.513	OH-2022-036-00	346,523	367,794
Total AL #20.513			\$ 347,230	\$ 376,731
Total Transit Services Programs Cluster			\$ 347,230	\$ 376,731
Total U.S Department of Transportation			\$ 1,006,684	\$ 23,328,821
Total Expenditures of Federal Awards			\$ 1,006,684	\$ 23,328,821

The accompanying notes are an integral part of this schedule.



Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2024

Note A: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Stark Area Regional Transit Authority (the Authority's) under programs of the federal government for the year ended December 31, 2024. 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 Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

For purposes of the Schedule, federal awards include all grants, contracts, entered directly and indirectly (passed-through) between the Authority and agencies and departments of the federal government.

Note C: Indirect Cost Rate

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

Note D: Subrecipients

The Authority passes certain federal awards received from the United States Department of Transportation to other governments or not-for-profit agencies (subrecipients). As Note B describes the Authority reports expenditures of federal awards to subrecipients on the accrual basis of accounting.

As a pass-through entity, the Authority has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

During 2024, the Authority provided \$396,921 of the Strengthening Mobility and Revolutionizing Transportation Grant to subrecipients, \$347,230 of the Enhanced Mobility for Seniors and Individuals with Disabilities Grant to subrecipients, \$184,913 of Public Transportation Innovation Grant to subrecipients, and \$77,620 of Community Project Funding Congressionally Directed Spending Grant to subrecipients.

Note E: Matching Grant Requirements

Certain federal programs require the Authority to contribute non-Federal funds (matching funds) to support the federally-funded programs. The Authority 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

Stark Area Regional Transit Authority
Stark County
1600 Gateway Blvd. SE
Canton, Ohio 44707

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 Stark Area Regional Transit Authority, Stark County, Ohio (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 18, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 18, 2025

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 AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Stark Area Regional Transit Authority
Stark County
1600 Gateway Blvd. SE
Canton, Ohio 44707

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Stark Area Regional Transit Authority's, Stark County, (Authority) 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 (each of) Stark Area Regional Transit Authority's major federal programs for the year ended December 31, 2024. Stark Area Regional Transit Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Stark Area Regional Transit Authority 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, 2024.

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 Authority 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 Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority'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 Authority'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 Authority'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 Authority'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 Authority'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 Authority'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 Authority'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.

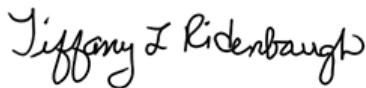
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Stark Area Regional Transit Authority, Stark County, (Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our unmodified and qualified report thereon dated August 18, 2025, which we qualified because management did not provide sufficient audit evidence for a correction of error for the Construction and Work in Progress. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this 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 of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 18, 2025

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**STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	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**

FINDING NUMBER – 2024-001

Material Weakness

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

Sound financial reporting is the responsibility of the Executive Director/CEO, Director of Finance and the Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The Authority did not have policies and procedures in place for certain financial statement accounts, which led to the following material weakness.

- The Authority restated the beginning balance of Construction and Work in Progress (WIP) for the fiscal year ended December 31, 2023 by \$3,192,974 to correct errors incurred in prior years related to expenditures that were improperly included as Construction and WIP. Of the \$3,192,974, the Authority could not provide appropriate supporting documentation for \$2,803,611 due to the documentation being outside of the Authority's records retention policy. As a result, a qualified opinion was issued over Construction and WIP Year for the fiscal year ended December 31, 2023 and the related Capital Assets note disclosure.
- Other adjustments to correct prior year capital asset errors were run through the current year activity by adjusting the current year disposals rather than being restated. Disposals related to Buildings & Improvements, Transportation Equipment and Other Equipment in the amounts of \$20,343, \$94,376 and \$102,195, respectively, were overstated so that the capital assets records would agree to the financial statements. The Authority could not provide appropriate supporting documentation for the adjustments.
- Other adjustments to correct prior year Other Accrued Liabilities errors were run through the current year activity by adjusting Other Current Liabilities and Miscellaneous Expenses by \$886,811. The Authority could not provide appropriate supporting documentation for the adjustment.
- During 2024, the Authority determined that Other Accrued Liabilities related to dental and vision benefits were overstated by \$230,083. An adjustment was made by the Authority to correct the overstatement. However, the adjustment was made to Miscellaneous Expenses rather than Fringe Benefit Expenses. The financial statements have not been updated to reflect this adjustment.
- During 2024, the Authority performed an inventory of vehicle parts and supplies and adjusted the Materials and Supplies Inventory by \$638,558. However, the adjustment was made to Miscellaneous Expense rather than Materials, Supplies and Training Expenses. The financial statements have not been updated to reflect this adjustment.

FINDING NUMBER – 2024-001 (Continued)

To help ensure the Authority's financial statements are complete and accurate, the Authority should adopt policies and procedures to identify and correct errors and omissions. The Authority should review the financial statements prior to submission for audit.

Official's Response:

See corrective action plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



STARK AREA REGIONAL TRANSIT AUTHORITY

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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2024

Finding Number:

2024-001

Planned Corrective Action:

As of January 1, 2025, SARTA reviews and reconciles monthly Construction and Work in Progress (WIP) accounts, fixed asset accounts, and Other Accrued Liabilities to ensure accuracy and completeness to support documentation. This allows SARTA to provide support documentation in the form of vendor invoices, third-party documents, or other appropriate information to support these balances. This also helps identify potential errors to correct if the support documentation does not verify with the general ledger. The process will be reviewed by the Director of Finance to ensure all balances have support documentation prior to audit submission. In addition, SARTA began to implement new accounting software through Infor Global Operations, LP to help provide support documentation and schedules to verify account balances in the general ledger and financial statements

Anticipated Completion Date:

November 30, 2025

Responsible Contact Person:

Director of Finance





STARK AREA REGIONAL TRANSIT AUTHORITY

Annual Comprehensive Financial Report for fiscal
years ended December 31, 2024 and 2023

1600 Gateway Blvd. SE
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Stark Area Regional Transit Authority
Stark County
Canton, Ohio
2024

*Annual Comprehensive Financial Report
For Fiscal Years Ended December 31, 2024 and 2023*

Ron Macala
President
Board of Trustees

Kirt W. Conrad
Executive Director/CEO
SARTA

Prepared by the Finance Department

Annual Comprehensive Financial Report
For the Fiscal Years Ended December 31, 2024 and 2023

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Introductory Section 2024

The Introductory Section includes:

- Letter of Transmittal
 - GFOA Certificate of Achievement
 - Board of Trustees and Management
 - Organizational Chart
-



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August 18, 2025

SARTA Board of Trustees
Members of Board of Trustees
And Residents of Stark County, Ohio

State law requires that every transit authority publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2024.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

This report is presented in three sections:

The *INTRODUCTORY SECTION* consists of the title page, the table of contents, this letter of transmittal, which includes a map of the municipalities of Stark County, Ohio, organizational chart, prior year GFOA certificate and a listing of the members of the Board of Trustees and management of SARTA.

The *FINANCIAL SECTION* contains the Independent Auditor's Report, comparative basic financial statements, and the notes to financial statements. The notes to financial statements are an integral part of the basic financial statements. Readers are directed to the Management Discussion and Analysis, also included in this section. The *FINANCIAL SECTION* also contains the Required Supplementary Information (RSI), which includes the schedule of the Authority's proportionate share of net pension/OPEB liability and net pension/OPEB asset for the last ten years.

The *STATISTICAL SECTION* consists of financial and economic information that is useful for indicating trends for comparative fiscal periods.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stark Area Regional Transit Authority ("SARTA" or the "Authority") for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2023. This was the Authority's eighteenth consecutive year the Authority earned this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and organized Annual Comprehensive Financial Report adhering to the highest standards in government accounting and financial reporting. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for the year ended December 31, 2024.

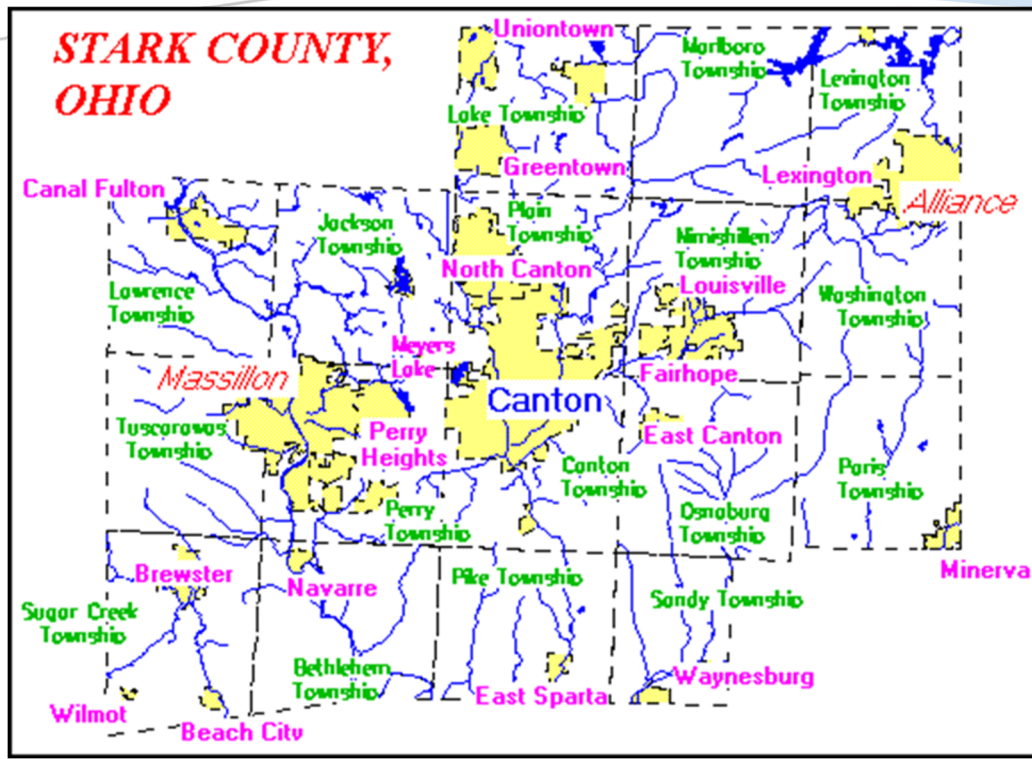
Stark County, Ohio



Established: Act – February 13, 1808
Land Area: 575.27 sq. miles
County Seat: Canton City

Stark County is located in the northeastern portion of the State of Ohio and was named in honor of General John Stark who served in the Revolutionary War.

The County consists of eighteen municipalities (cities and villages) and seventeen townships. The seat of the county government is the City of Canton.



Reporting Entity Profile

General

SARTA services an area of 575.27 square miles and a population base of 374,091 according to a 2024 census estimate and was created in 1997 with the passage of Issue 2. SARTA is a political subdivision, enjoying all the rights and privileges accorded political subdivisions. SARTA was created pursuant to Section 306.30 through 306.711 of the Ohio Revised Code for the purpose of providing public transportation in the Stark County, Ohio area.

As the public transit authority for Stark County, SARTA offers a variety of services to meet transit needs within the community. SARTA provided over 1.4 million rides in Stark County during 2024 through Fixed Route, Proline and Medline Services, Paratransit Curb-to-Curb service for individuals with disabilities, shuttle service for special events that pose unusual transit challenges for the community, "community coach" services for senior citizens and the disabled living in assisted care and other facilities, and services providing connections between other transit providers. Our goal is to ensure that Stark County residents, including

disabled individuals, seniors, veterans, employees, and students, have access to a quality transportation system that is both reliable and affordable.

Mission Statement

SARTA is committed to enhancing the quality of life for our community by providing efficient, affordable, and sustainable mobility options for Stark County.

Management - Board of Trustees

The nine-member Board of Trustees are appointed by the Stark County Commissioners, Mayor of Alliance, Mayor of Canton, Mayor of Massillon, and Stark Council of Government (SCOG). Board Membership is appropriated as follows: City of Alliance, 1 member; City of Canton, 3 members; City of Massillon, 1 member; SCOG, 2 members; and Stark County Commissioners, 2 members.

The Board of Trustees supervise the operations of the agency and set policies for the day-to-day operations. They approve the annual budget, hire the Executive Director, and authorize the sales tax levy to be submitted to the voters every ten years, which provides for approximately 57.98 percent of the operating funds for SARTA. In October 2018, the Board adopted the new vision for SARTA as an overall guide for the Authority. SARTA will accomplish this by:

1. Operating within budget and in a financially responsible manner
2. Enhancing quality of life through personal independence
3. Offering mobility options to meet the diverse needs of the public
4. Creating an environment supporting professional development to ensure a dynamic workforce operating according to the highest ethical standards
5. Continuing our efforts to utilize alternative energy sources for our fleet and facility

Administration

The Authority's CEO, appointed by the Board, directs the Authority's administration, subject to the policies, procedures, and supervision from the Board. An organizational chart that shows the key functional responsibilities is shown in the introductory section.

Operations and Funding

In November of 2016, Stark County voters renewed the .25 percent sales tax levy until June of 2027.

Facilities

Gateway – Main administration, garage, and maintenance facility, 1600 Gateway Blvd. SE. The 96,000 square foot garage houses 45 Fixed buses, 47 Paratransit buses, 1 Trolley bus and 21 Support vehicles, 9 maintenance bays, 1 trailer, 1 bus wash, and 1 alignment lift. A new Administration building was started on the property at the end of 2022 and finished in April 2024.

Canton Cornerstone Transit Station – Renovated in 2010, Cornerstone is SARTA's downtown Canton intermodal facility located at 112 Cherry Ave. SE. Services include ticket sales, customer information, and passenger amenities. Cornerstone provides connections to the Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority.

Belden Village Transit Station – Belden Village Station, 4700 Whipple Ave. NW, was opened in 2012. Services include ticket sales, customer information, passenger amenities and provides connection to the Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority.

Massillon Transit Station – A new transit center began construction in late 2022 at 227 Tommy Henrich Dr. NW, Massillon, Ohio. This new state of the art facility will provide updates to features such as ticket sales, customer service, indoor passenger amenities, and continued connections to services throughout Stark County including Canton, Jackson and Plain Townships, and Alliance as well as transfers to the Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority. This transit center was completed and fully operational in April 2024.

Phyllis Beyers Alliance Transit Station – Built in 2008, located at 10 Prospect St. Services include ticket sales, customer information, passenger amenities and provides connection to the Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority.

Services

SARTA offers fixed route and demand response service in Stark County to provide reliable service to as many as possible in Stark County. These fixed routes operate over 20 hours and over 8,104 miles each day, Monday through Saturday. SARTA also operates express routes to Cleveland and Akron.

Ridership - In 2024, SARTA provided over 1,455,492 rides between Fixed Routes, Proline and Medline services which is an increase of 83,548 rides or 6.10 percent from 2023. In 2023, SARTA provided 1,371,944 rides.

Fixed Route Service - 45 fixed route buses operating over 20 hours a day from just before 5:30 am and finishing after 1:30 am, Monday through Saturday. The Fixed Route fleet covers an average of 8,104 miles a day with service covering Alliance, Akron, Canton, Cleveland, Hartville, Jackson Township, Louisville, Massillon, North Canton, and Uniontown. 79 percent of Stark County's population lives within a ½ mile of SARTA's fixed routes.

Proline Services – 47 Proline buses with service available countywide for customers who meet American with Disabilities Act (ADA) requirements. Proline operates over 20 hours a day from just before 5:30 am and finishing after 1:30 am, Monday through Saturday. In 2024, Proline services ran a total of 128,892 trips.

Medline Service - A free non-medical transportation service available for those with I/O and Level One Medicaid Waivers. Like Proline, it allows clients to use SARTA to make up to two non-medical transportation trips per day (up to 240 days) to employment (including trips to Stark Developmental Disabilities Workshops and other private day services), adult day support and vocational training.

GoLine – Provides an easy way for SARTA's Proline passengers, who have ADA disabilities and require origin to destination transportation, to schedule, change or cancel trips and receive reminders about upcoming Proline trips.

Pinpoint – Pinpoint is a real-time GPS system for our Fixed Routes. Pinpoint enables riders to track buses, view schedules, and plan trips in real time. This project allows passengers to receive a phone call when their bus is coming, and schedule online, or via phone.

Veterans' Services – SARTA's Route 4 offers free transportation for our Veterans - through the Veterans' Service Commission (VSC) to Wade Park Hospital for medical appointments, Demand Response Services for employment trips, Proline and travel training.

Local Economy

Stark County is in the northeastern section of Ohio and is the 7th largest county in Ohio. Stark County is in the Canton-Massillon metro area, crossroads of the Eastern and Midwestern U.S. markets. Stark County includes 17 townships and 18 municipalities (12 villages and 6 cities, the largest of which is the City of Canton, the County Seat, and the eighth largest city in the State). Strategically located in proximity to all modes of transportation including truck, railroad, and air. It is home to the Professional Football Hall of Fame, First Ladies National Historic Site, and the William McKinley Presidential Library and Museum. Six institutions of higher learning are in Stark County as well as various cultural attractions. Stark County is known primarily for manufacturing. Business is moving forward into the new economy with a focus on companies in advanced manufacturing and new emerging technologies such as Fuel Cells, Wind Energy and Oil Shale exploration and development. In addition, the number and variety of national and international companies, such as Timken and Diebold, with facilities in Stark County, is also a testimony to the growing strength of the area's business environment. The Stark County unemployment rate for 2024 was 4.6 percent ¹ compared with State of Ohio's 4.2 percent and the national average of 3.8 percent.

¹ http://ohiolmi.com/Home/DS_Results_LAUS

County Government

The Board of Stark County Commissioners is a body of three elected Commissioners. Commissioners are elected for four-year terms. Commissioners cannot act independently, but formal and official actions must be taken by a majority vote of the Board.

Commissioners are county governments' taxing, budgeting, appropriating, and purchasing authority, and hold title to all county property. The Board negotiates contracts, bargains with labor organizations, enacts policies to deliver public services, and oversees the specific County departments that serve under their authority. Commissioners' other responsibilities include hearing and ruling on annexations, approving drainage improvements, establishing water and sewer districts, and providing for solid waste disposal.

The largest city of Stark County is the City of Canton, which has an elected mayor and City Council. The mayor enforces all city laws, manages the operations of the city, and recommends legislative actions to City Council. City Council both introduce and vote on certain aspects of the City's needs and how to procure financing.

Population

Population in SARTA's principal service area since 1970 has been as follows²:

<u>YEAR</u>	<u>CANTON</u>	<u>STARK COUNTY</u>
1970	110,053	372,720
1980	93,077	378,823
1990	84,161	368,065
2000	80,806	378,097
2010	73,007	375,417
2011	72,795	375,087
2012	72,793	374,868
2013	72,535	375,895
2014	72,535	375,584
2015	72,297	375,165
2016	71,323	375,586
2017	70,909	372,542
2018	73,007	375,586
2019	70,458	370,606
2020	70,477	369,964
2021	72,684	373,834
2022	69,671	372,657
2023	69,197	372,716
2024	69,211	374,091

² [U.S. Census Bureau QuickFacts: Canton city, Ohio; Stark County, Ohio; United States](#)

Employment

The following table shows comparative unemployment statistics for Stark County, the State of Ohio, and the United States for the last five years³:

<u>YEAR</u>	<u>STARK COUNTY</u>	<u>OHIO</u>	<u>U.S.</u>
2020	5.2	5.3	6.7
2021	3.5	3.6	3.9
2022	4.0	4.0	3.6
2023	3.6	3.5	3.7
2024	4.6	4.2	3.8

Major Initiatives – 2024 in Review

Travel Training - This program to assist individuals to learn to ride and utilize the SARTA services including fixed route, first time paratransit users and SARTA's various digital tolls like Go-Line and PinPoint. Travel Trainers also do Wheelchair Assessments at rider's homes as part of the Travel Training Program.

EZfare - SARTA along with NEORide, a consortium of over 37 transit agencies across 10 different states partners, with MASABI to provide a free mobile ticketing app called EZfare. The EZfare app is comprised of 37 transit systems. Riders can pay fares and purchase tickets/passes through their mobile device. Every week, thousands of transit riders utilize these transit systems, going to work, school, medical appointments, shopping centers, museums, and thousands of other locations. EZFare makes transit on these systems simple and easy. Riders activate the tickets/passes when they are ready to use them and then scan on the validator on the vehicle to satisfy their fare to ride.

³ [LAUS Results \(ohiolmi.com\)](https://www.ohiolmi.com/LAUS-Results)

5310 Program – SARTA, as a designated recipient of Section 5310 program funds, has assisted in the Enhanced Mobility for seniors and people with disabilities. Along with collaborating with Stark County Transportation Study (SCATS), SARTA has helped agencies and other interested groups in improving the coordination of transportation services among agencies and private providers requiring or providing transportation services, through vehicle purchases and operating reimbursement.

Future Initiatives

Notice is hereby given that the Stark Area Regional Transit Authority (SARTA) intends to apply for Federal Funds for the Stark Area Regional Transit Authority's 2025 Program of Projects. Information on the Program is available at SARTA's website, www.sartaonline.com/financials.

Written public comment on the proposed Program of Projects was accepted by the Stark Area Regional Transit Authority (SARTA) until the close of business on March 31st, 2025. All comments were to be addressed to Kirt W. Conrad, Executive Director/CEO, Stark Area Regional Transit Authority, 1600 Gateway Blvd SE, Canton, Ohio 44707. Comments received by the closing date were considered in preparing and carrying out the Program. A public hearing was scheduled for April 3rd, 2025 at 2:00 – 2:30 p.m. in the Board Room at SARTA's headquarters located at 1600 Gateway Blvd SE in Canton.

This program became final and was submitted to the Federal Transit Administration upon completion of the public participation process unless amended by action of the Board of Trustees of the Stark Area Regional Transit Authority.

Letter of Transmittal-Stark Area Regional Transit Authority

PROPOSED
STARK AREA REGIONAL TRANSIT AUTHORITY
FISCAL YEAR 2025 PROGRAM OF PROJECTS Total Funds
Estimated for 2025 Projects \$8,858,766



Stark Area Regional Transit Authority
Capital Projects 2025

<i>Capital Bus Projects</i>	Total Budgeted Cost	Federal/State Share
12- CNG Tesco Buses	\$3,147,060	\$2,517,648
<i>Total Capital Bus Projects</i>	\$3,147,060	\$2,517,648
<i>Other Capital Projects</i>	Total Budgeted Cost	Federal/State Share
Misc. Shop Tools	\$200,000	\$160,000
Misc. Hardware projects	\$50,000	\$40,000
Transit Enhancements	\$50,000	\$40,000
Security Improvement Projects	\$94,010	\$75,208
Yard Management/Scheduling Software	\$1,358,161	\$1,358,161
ERP Software	\$1,955,845	\$1,955,845
Hydrogen Station & Tank Upgrades	\$1,600,000	\$1,600,000
Transit Development Project	\$200,000	\$160,000
<i>Total Other Capital Projects</i>	\$5,508,016	\$5,389,214
Construction Projects	Total Budgeted Cost	Federal/State Share
<i>Total Construction Projects</i>	\$0	\$0
TOTAL CAPITAL PROJECTS	\$8,655,076	\$7,906,862
Other Local Subgrantee-Pass Thru Projects	Total Budgeted Cost	Federal/State Share
RHFCC Data	\$130,000	
NEORIDE Local Share Contributions	\$73,690	
<i>Total Subgrantee-Pass Thru/ Local match Projects</i>	\$203,690	\$0
	Total Budgeted Grants	Federal/State Share
Project Totals Jan-Dec 2025	\$8,858,766	\$7,906,862

SARTA is required to plan projects and schedule their completion in a document called the Transit Development Plan (TDP). These projects are then scheduled into a Transportation Improvement Plan (TIP) by the Metropolitan Planning Organization (Stark County Area Transportation Study-SCATS) for the County, who then forwards the entire plan to the State of Ohio for inclusion in the State Transportation Improvement Plan. This State document forms the basis of transportation planning for the State.

The major proposed capital projects include:

- Operational planning and implementation of the TDP
- Participation and assistance to the Stark County Mobility Coordination Committee
- Purchase new Transit and Paratransit Buses
 - 2025 – 0 Transit (12 Paratransit buses)
 - 2026 - 9 Transit (7 Paratransit buses)
 - 2027 - 1 Transit (4 Paratransit buses)
- Preventative maintenance on buses
- Continuing to study initiatives to increase meeting customer needs
- Shop tool replacement
- New ERP system

Management also intends to explore projects such as:

- Microgrid for hydrogen fuel production
- Facility upgrades to Cornerstone Transit Center
- Roof replacement at Gateway facility to include solar panels
- Office renovation to existing Gateway building
- Parking lot repaving at Gateway
- Construction of hillside accessway at Gateway Facility
- Repairs for concrete garage floor

The next few years will see movement towards enhancing the public's use of the system, whether through security measures installed, newer and more efficient buses and fuels, or other transportation corridors established. While ridership is expected to plateau on fixed routes as population remains stable, SARTA is aware of the growing age of the population with more demands on Paratransit and other specialized needs and is making plans to meet the requirements of its users.

SARTA's projects are financed through a combination of federal funds, state funds, and local match requirements. Some projects are matched by County or City involvement in the project, or by sales tax revenues received by SARTA.

Basis of Accounting

SARTA's accounting records are maintained on the accrual basis. The activities are reported using a single enterprise fund. Additional information on SARTA's accounting policies can be found in Note No. 1 in the Notes to Financial Statements, located in the Financial Section.

Internal Control

SARTA is responsible for establishing and maintaining an internal control system designed to ensure its assets are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived from its implementation. The valuation of costs and benefits requires estimates and judgments by management. SARTA's management believes its internal controls are effective.

Budgetary Control

SARTA prepares its annual operating budget and capital budget on the accrual basis of accounting. The Director of Finance, Executive Director/CEO, and Administration prepare a preliminary budget of revenues, and allocates a proportional amount to each department. The Department Heads confer with the Director of Finance and prepare their budgets within that allocation. Adjustments are made, if necessary, to the budget for overall agency requirements. The final balanced budget is presented to the Board Finance Committee. The Board Finance Committee submits the budget to the Board of Trustees at a public meeting. The annual operating and capital budget are adopted after a period of open discussion.

Budgetary control is maintained at the department level. It is the responsibility of each department to administer its operations in such a manner as to ensure the use of funds is consistent with the goals and programs authorized by the Board of Trustees. Budget amendments may be submitted to the Board of Trustees one or more times throughout the operating year.

Capital purchases may extend beyond the one-year period, and local match funds are identified in each year's budget, even if carried over from prior years. Lead times for buses and construction schedules are examples of two items that may take many months from Board of Trustee approval to completion and span more than one fiscal year.

Financial statements are prepared on an accrual basis, in accordance with accounting principles generally accepted in the United States of America (GAAP) and may be reviewed starting with the Management's Discussion and Analysis.

Independent Audit

Keith Faber, Auditor of State, has issued a modified opinion on the Stark Area Regional Transit Authority's (the Authority) financial statements for the year ended December 31, 2024. Refer to the Financial Section for the auditor's report.

The independent audit of the Authority's financial statements was part of the broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the Authority's separately issued single audit report.

Acknowledgements

This report would not be possible without the hard work, high standards and dedication of the entire Finance Department staff. The 2024 Annual Comprehensive Financial Report prepared by Michael Brand, conforms to the program requirements and management expectations for continued high levels of excellence in reporting the Authority's financials in the future.

Sincerely,

A handwritten signature in black ink that reads "Ronald A. Macala". The signature is written in a cursive style with a large, stylized "R" and "M".

Ron Macala
Board President



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Stark Area Regional Transit Authority
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

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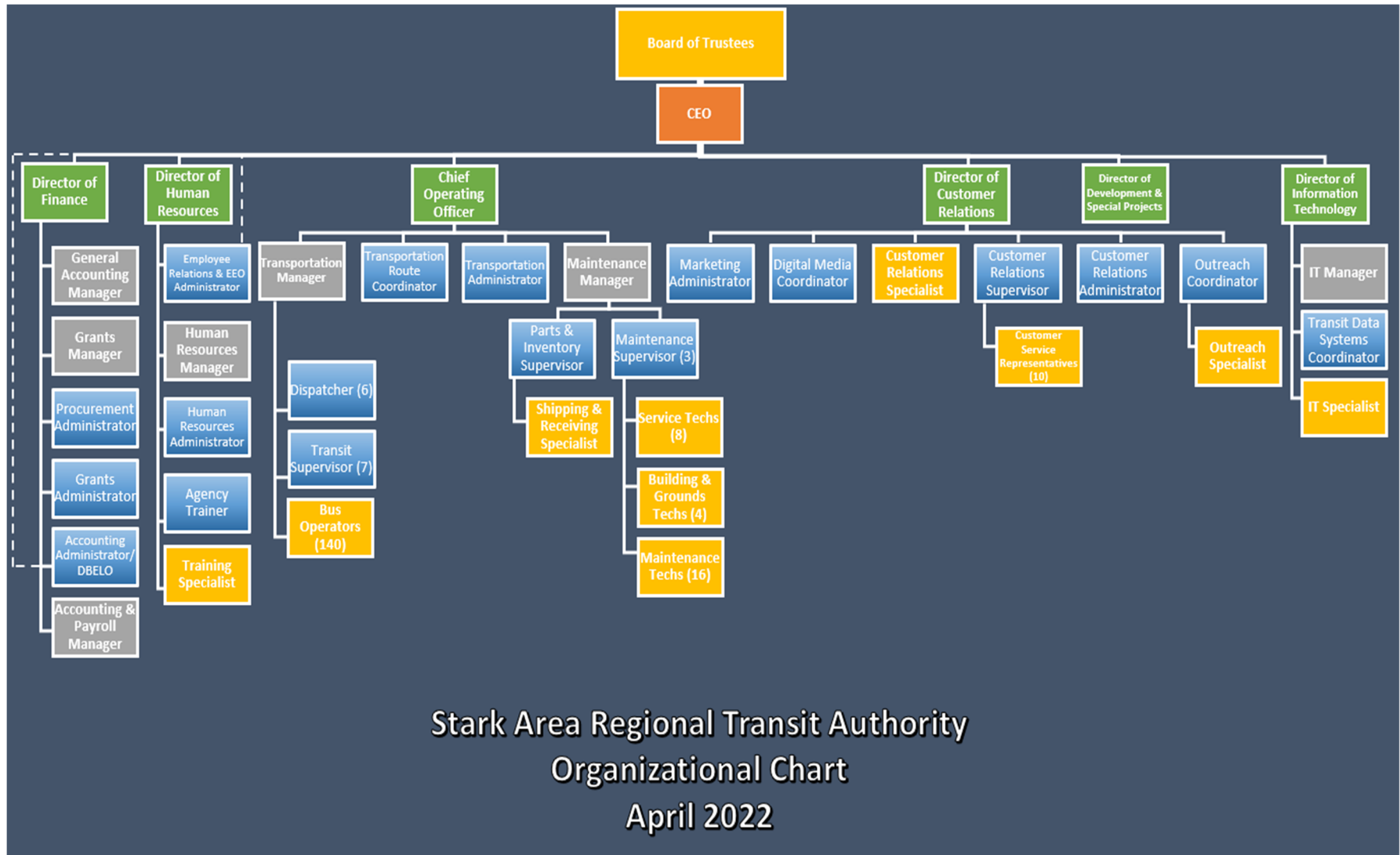
Stark Area Regional Transit Authority
Board of Trustees and Management
As of December 31, 2024

Board of Trustees

President.....	<i>Ron Macala</i>
Vice President.....	<i>James Reinhard</i>
Trustees.....	<i>Gregory Blasiman</i> <i>Margaret Egbert</i> <i>Nasheka Combs-Lemon</i> <i>Rex Morey</i> <i>Myra Watkins</i> <i>Chet Warren</i>

Executive Staff

Executive Director/CEO.....	<i>Kirt W. Conrad</i>
Chief Operations Officer	<i>Mark Finnicum</i>
Director of Finance	<i>(vacant)</i>
Director of Information Technology.....	<i>Craig Smith</i>
Director of Planning & Community Outreach.....	<i>Latrice Virola</i>
Director of Human Resources.....	<i>Tammy Brown</i>
Director of Development & Special Projects.....	<i>Clayton Popik</i>





Financial Section 2024

The Financial Section includes:

- Independent Auditor's Report
 - Management's Discussion and Analysis (MD&A)
 - Basic Financial Statements
 - Notes to Financial Statements
 - Required Supplementary Information
-

OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Stark Area Regional Transit Authority
Stark County
1600 Gateway Blvd. SE
Canton, Ohio 44707

To the Board of Trustees:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the Stark Area Regional Transit Authority, Stark County, Ohio (Authority), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements referred to above present fairly the accompanying financial statements, in all material respects, the financial position of the Stark Area Regional Transit Authority, Stark County, Ohio as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Qualified 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 Authority, 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 qualified audit opinion.

Construction and Work in Progress was reported at \$1,943,927 and \$19,269,069 for the years ended December 31, 2024 and 2023, respectively, which are 2.3 percent of Total Assets for the year ended December 31, 2024 and 24.6 percent of Total Assets for the year ended December 31, 2023. We were unable to obtain sufficient appropriate audit evidence supporting a \$2,803,611 restatement of Construction and Work In Progress. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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 Authority'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 Authority'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 Authority'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.

Other Information


Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2025, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

August 18, 2025

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Management Discussion and Analysis 2024

- Financial Highlights
 - Overview of the Financial Statements
 - Required Financial Statements
 - Notes to Financial Statements
 - Financial Analysis of the Authority
 - Net Position
 - Revenues, Expenses, and Changes in Net Position
 - Condensed Summary of Cash Flows
 - Capital Assets
 - Long-Term Debt
 - Government Accounting Standards Board (GASB) 68 and 75
 - Requests for Information
-

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

As the financial management of the Stark Area Regional Transit Authority (Authority or SARTA), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended December 31, 2024 and 2023. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Financial Highlights

- The Authority's total net position increased \$5,891,492 or 9.80 percent in 2024. The increase in net position is attributed to capital assets increasing.
- The Authority's total net position increased \$3,850,708 or 6.48 percent in 2023. The increase in net position is attributed to capital assets increasing.
- In 2024, the Authority's operating expenses, excluding depreciation, were \$759,578 higher than in 2023, a 2.31 percent increase, primarily due to the increase in fringe benefits and services.
- In 2023, the Authority's operating expenses, excluding depreciation, were \$8,718,774 higher than in 2022, a 36.02 percent increase, primarily due to the increase in capital assets, labor, and fringe benefits.
- Operating revenues for the Authority were \$12,496 higher in 2024, a 0.68 percent increase, primarily due to a decrease in special transit income and an increase in passenger fares.
- Operating revenues for the Authority were \$383,752 higher in 2023 compared to 2022, a 26.25 percent increase, primarily due to an increase in special transit income and passenger fares.
- In 2024, sales tax revenue increased \$103,539 or 0.54 percent compared to 2023. Sales tax revenue accounted for 57.98 percent of all funding in 2024, exclusive of capital grants.

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

- In 2023, sales tax revenue increased \$376,067 or 2.01 percent compared to 2022. Sales tax revenue accounted for 57.62 percent of all funding in 2023, exclusive of capital grants.
- In 2024, operating grants and reimbursements were \$391,153 higher compared to 2023, or 3.48 percent increase, primarily due to increase in operating expenses.
- In 2023, operating grants and reimbursements were \$431,820 lower compared to 2022, or 3.70 percent decrease, primarily due to accessibility to funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of two components: 1) the *Basic Financial Statements*, and 2) *Notes to Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Required Financial Statements

The financial statements of the Authority are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The Authority only maintains one fund, an enterprise fund, which reports functions as *business-type activities*.

The *Statement of Net Position* presents information on all of the Authority's assets and deferred outflows and liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal years and activities giving rise to those changes. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

only result in cash flows in future fiscal periods (e.g., undistributed sales tax and earned but unused sick leave).

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 45 – 87 of this report.

Financial Analysis of the Authority

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by \$66,017,833 at the close of the most recent fiscal year. The Authority's net position is comprised primarily of its investment in capital assets (e.g., land, construction and work in process, buildings and improvements, transportation equipment, and other equipment). The Authority uses these capital assets to provide transportation services to the citizens of Stark County; consequently, these assets are *not* available for future spending.

In 2024, a portion of the Authority's net position represented resources that were subject to the restriction of being held to pay for net pension and OPEB asset. In 2024, *restricted net position* and *unrestricted net position* totaled \$930,398 and (\$2,328,733), respectively.

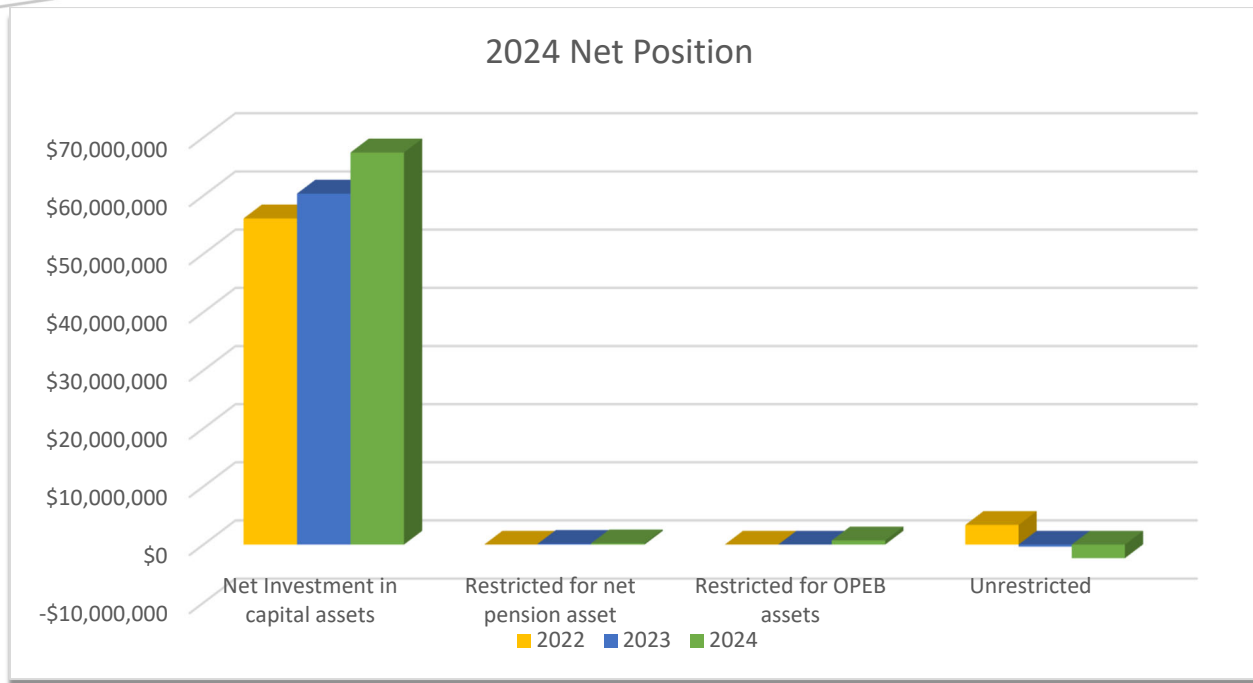
Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

Net Position

		Restated	
	2024	2023	2022
Current Assets	\$ 15,379,790	\$ 17,962,258	\$ 18,458,800
Capital Assets, Net	67,416,168	60,356,050	56,093,291
Other-Net OPEB Asset	705,133	-	2,056,916
Other-Net Pension Asset	225,265	132,677	182,456
Total Assets	<u>\$ 83,726,356</u>	<u>\$ 78,450,985</u>	<u>\$ 76,791,463</u>
Deferred Outflow-OPEB	\$ 607,635	\$ 1,435,542	\$ -
Deferred Outflow-Pension	7,057,974	10,769,873	2,789,139
Total Outflows	<u>\$ 7,665,609</u>	<u>\$ 12,205,415</u>	<u>\$ 2,789,139</u>
Current Liabilities	\$ 3,477,368	\$ 6,084,708	\$ 4,413,596
Noncurrent Liabilities	21,387,986	24,156,822	6,105,018
Total Liabilities	<u>\$ 24,865,354</u>	<u>\$ 30,241,530</u>	<u>\$ 10,518,614</u>
Deferred Inflow-OPEB	\$ 413,480	\$ 169,217	\$ 2,165,666
Deferred Inflow-Pension	95,298	119,312	7,427,715
Total Inflows	<u>\$ 508,778</u>	<u>\$ 288,529</u>	<u>\$ 9,593,381</u>
Net Investment in Capital Assets	\$ 67,416,168	\$ 60,356,050	\$ 56,093,291
Restricted for OPEB Asset	705,133	-	-
Restricted for Pension Asset	225,265	132,677	-
Unrestricted	(2,328,733)	(362,386)	3,375,316
Total Net Position	<u>\$ 66,017,833</u>	<u>\$ 60,126,341</u>	<u>\$ 59,468,607</u>

At the end of 2024, the Authority was able to report positive balances in net position.

Stark Area Regional Transit Authority
Canton, Ohio
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For fiscal years ended December 31, 2024 and 2023



As can be seen from the table of net position, in 2024, net position increased \$5,891,492 to \$66,017,833 from \$60,126,341 in 2023 primarily due to the increase in capital assets.

For more information on capital assets, readers are referred to Note 7 to the financial statements.

Stark Area Regional Transit Authority
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Revenues, Expenses, and Changes in Net Position

	2024	Restated 2023	2022
OPERATING REVENUES:			
Passenger fares	\$ 1,043,207	\$ 958,460	\$ 806,636
Special transit fares	628,402	715,970	546,514
Auxiliary transportation revenues	186,279	170,962	108,490
TOTAL OPERATING REVENUES	<u>1,857,888</u>	<u>1,845,392</u>	<u>1,461,640</u>
OPERATING EXPENSES (REVENUES):			
Labor	12,006,588	12,137,871	10,788,530
Fringe benefits	12,245,499	10,509,763	4,685,862
Materials, supplies, and training	4,299,794	4,664,287	4,115,710
ODOT fuel tax reimbursement	(46,777)	(82,253)	(100,703)
Services	3,271,797	2,359,399	2,398,604
Utilities	659,468	666,435	608,718
Casualty and liability insurance	802,982	721,246	737,996
Leases and rentals	14,005	41,154	66,155
Miscellaneous	429,630	1,905,506	903,762
TOTAL OPERATING EXPENSES (REVENUES)-NET EXCLUDING DEPRECIATION	<u>33,682,986</u>	<u>32,923,408</u>	<u>24,204,634</u>
OPERATING LOSS BEFORE DEPRECIATION	(31,825,098)	(31,078,016)	(22,742,994)
DEPRECIATION EXPENSE (Note 7)	<u>6,764,488</u>	<u>5,713,387</u>	<u>5,205,257</u>
OPERATING LOSS	<u>(38,589,586)</u>	<u>(36,791,403)</u>	<u>(27,948,251)</u>
NON-OPERATING REVENUES (EXPENSES):			
Sales tax revenues (Note 6)	19,216,960	19,113,421	18,737,354
Operating grants and reimbursements	11,619,649	11,228,496	11,660,316
Interest income	165,855	162,081	50,226
Sales tax collection expense	(188,460)	(190,797)	(185,253)
Gain (loss) on disposal of capital assets	(7,655)	111,393	(375,128)
Non-transportation revenues	238,009	708,398	56,780
TOTAL NON-OPERATING REVENUES (EXPENSES)-NET	<u>31,044,358</u>	<u>31,132,992</u>	<u>29,944,295</u>
NET GAIN(LOSS) BEFORE CAPITAL GRANT REVENUE	(7,545,228)	(5,658,411)	1,996,044
CAPTIAL GRANTS:			
Federal capital grants	13,001,642	8,537,893	6,513,041
State capital grants	435,078	971,226	2,629,101
TOTAL CAPITAL GRANTS	<u>13,436,720</u>	<u>9,509,119</u>	<u>9,142,142</u>
INCREASE (DECREASE) IN NET POSITION	5,891,492	3,850,708	11,138,186
NET POSITION, BEGINNING OF YEAR	60,126,341	59,468,607	48,330,421
Error correction	-	(3,192,974)	-
RESTATED NET POSITION, BEGINNING OF YEAR	N/A	56,275,633	N/A
NET POSITION, END OF YEAR	<u>\$ 66,017,833</u>	<u>\$ 60,126,341</u>	<u>\$ 59,468,607</u>

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In 2024, *depreciation expense* increased \$1,051,101 or 18.40 percent, primarily due to the increase in capital assets.

In 2024, *non-operating revenues (expenses)-net* decreased \$88,634 or 0.28 percent, to \$31,044,358.

Condensed Summary of Cash Flows

Sales tax collections are defined as *non-operating, non-capital revenue*, and are used to support the regular activities of the Authority. The sales tax receipts and transit operating revenues, with the balance being obtained using grants to cover preventative maintenance on buses, generally cover expenses of the Authority. Shortfalls in cash inflows were the result of requirements that the Authority fund up to 20 percent of capital purchases with local funding.

CASH FLOWS

	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 2,086,057	\$ 1,614,794	\$ 1,449,595
Cash received from non-transportation activities	238,009	708,398	56,780
Cash payments to suppliers for goods and services	(11,808,047)	(7,773,381)	(8,475,510)
Cash payments to employees for salaries and wages	(11,918,245)	(12,142,157)	(10,553,616)
Cash payments for employee benefits	(11,143,617)	(10,530,346)	(9,617,920)
Net cash used by operating activities	<u>(32,545,843)</u>	<u>(28,122,692)</u>	<u>(27,140,671)</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:			
Sales taxes received	18,888,950	18,836,897	18,340,003
Operating and preventive maintenance grants received	9,765,430	10,566,193	11,676,602
Net cash provided by noncapital financing activities	<u>28,654,380</u>	<u>29,403,090</u>	<u>30,016,605</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Federal capital grant revenue	13,898,674	8,984,031	9,142,142
Proceeds (loss) from sale of capital assets	17,105	111,393	(375,128)
Acquisition of capital assets and work in progress (WIP)	(13,849,367)	(13,169,120)	(11,776,951)
Net cash used by capital and related financing activities	<u>66,412</u>	<u>(4,073,696)</u>	<u>(3,009,937)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received from investments	159,142	162,081	50,226
Net cash provided by investing activities	<u>159,142</u>	<u>162,081</u>	<u>50,226</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,665,909)	(2,631,217)	(83,777)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,484,726</u>	<u>12,115,943</u>	<u>12,199,720</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,818,817</u>	<u>\$ 9,484,726</u>	<u>\$ 12,115,943</u>

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

Capital Assets

The Authority's investment in capital assets amounted to \$67,416,168 as of December 31, 2024, and \$60,356,050 as of December 31, 2023, a net increase of \$7,060,118 or 11.70 percent from 2023. Capital assets include land, land improvements, construction and work in progress, revenue producing and service equipment, buildings and structures, office furnishings, shop equipment, computer equipment, and software licenses. Major capital asset expenses during the current fiscal year included the following:

Land	30,116
Transportation	8,580,781
Computer Hardware	900,426
Building & Equipment Improvements	0

The Authority's investment in capital assets amounted to \$60,356,050 as of December 31, 2023, and \$56,093,291 as of December 31, 2022, a net increase of \$4,262,759 or 7.60 percent from 2022. Capital assets include land, land improvements, construction and work in progress, revenue producing and service equipment, buildings and structures, office furnishings, shop equipment, computer equipment, and software licenses. Major capital asset expenses during the current fiscal year included the following:

Land	25,000
Transportation	104,995
Computer Hardware	120,560
Building & Equipment Improvements	139,710

The construction and work in progress balance at December 31, 2024, included costs associated with a portion of the following:

1. Hydrogen Bus
2. Expansion of SARTA's facilities
3. Various other projects

The *Notes to Financial Statements*, Note 7, provides additional information on capital assets.

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

Long-Term Debt

The Authority has no long-term debt, nor does it have any plans to acquire long-term debt in the immediate future.

Governmental Accounting Standards Board (GASB) 68 and 75

The net pension liability (NPL) is the largest single liability reported by the Authority at December 31, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the Authority adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revised accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of these financial statements will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB and the net pension/OPEB liability to the reported net position and subtracting deferred outflows related to pension and the net pension/OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB asset/liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and 75 require the net pension/OPEB asset/liability to equal the Authority's proportionate share of each plan's collective:

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

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GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most noncurrent liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the noncurrent liability section of the statement of net position.

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In accordance with GASB 68 and 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension and OPEB expense for their proportionate share of each plan's *change* in net pension/OPEB asset/liability not accounted for as deferred inflows/outflows.

As a result of implementing the accounting standard for pension and OPEB, the Authority reported a significant net pension liability, a net OPEB liability, related deferred inflows of resources, and an increase in expenses related to pension and OPEB for the fiscal year which have a negative effect on net position. In addition, the Authority reported a net pension asset, deferred outflows of resources 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/asset that is not reported as deferred inflows or outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below:

	2024	2023
Net pension asset	\$ 225,265	\$ 132,677
Deferred outflows - pension	7,057,974	10,769,873
Deferred outflows - OPEB	607,635	1,435,542
Deferred inflows - pension	(95,298)	(119,312)
Deferred inflows - OPEB	(413,480)	(169,217)
Net pension liability	(20,938,306)	(23,228,813)
Net OPEB asset	705,133	-
Net OPEB liability	-	(482,555)
Impact of GASB 68 and GASB 75 on net position	(12,851,077)	(11,661,805)
Net expense impact	\$ 1,189,272	\$ 1,223,901

For 2024, the net expense impact of GASB 68 and 75 was \$1,189,272. This was from reporting the increase in the Authority's proportionate share of the pension and other post-employment benefit liability of the Ohio Public Employment Retirement board. This adjustment was a positive expense which increased expenses.

Stark Area Regional Transit Authority
Canton, Ohio
Management Discussion and Analysis
For fiscal years ended December 31, 2024 and 2023

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances and to show accountability for the money it receives. The reader is directed to the *Basic Financial Statements* and *Notes to Financial Statements*, immediately following, for further information. This report is also available on the Authority's website at www.sartaonline.com/financials. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Stark Area Regional Transit Authority, 1600 Gateway Blvd. S.E., Canton, Ohio 44707.



Basic Financial Statements 2024

Financial Statements include:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

Stark Area Regional Transit Authority
Canton, Ohio

STATEMENT OF NET POSITION
As of December 31, 2024 and 2023

	2024	Restated 2023
ASSETS:		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 5,347,063	\$ 9,484,726
Receivables:		
Trade	2,868,661	1,242,611
Sales tax	5,070,422	4,930,872
Other miscellaneous	6,713	-
Materials & supplies inventory	784,072	284,230
Prepaid expenses & other assets	831,105	2,019,819
Cash & cash equivalents: Restricted for capital assets	471,754	-
TOTAL CURRENT ASSETS	<u>15,379,790</u>	<u>17,962,258</u>
NONCURRENT ASSETS:		
Other noncurrent assets-net OPEB asset (Note 4)	705,133	-
Other noncurrent assets-net pension asset (Note 3)	225,265	132,677
TOTAL OTHER NONCURRENT ASSETS	<u>930,398</u>	<u>132,677</u>
Capital assets: (Note 7)		
Land, nondepreciable	2,592,129	2,562,013
Construction & WIP, nondepreciable	1,943,927	19,269,069
Buildings & improvements, depreciable	41,018,526	21,122,660
Transportation equipment, depreciable	61,995,885	55,911,396
Other equipment, depreciable	8,415,519	6,897,240
Total capital assets	115,965,986	105,762,378
Less accumulated depreciation	(48,549,818)	(45,406,328)
Capital assets-net	<u>67,416,168</u>	<u>60,356,050</u>
TOTAL NONCURRENT ASSETS	<u>68,346,566</u>	<u>60,488,727</u>
TOTAL ASSETS	<u>\$ 83,726,356</u>	<u>\$ 78,450,985</u>
DEFERRED OUTFLOWS OF RESOURCES:		
OPEB	\$ 607,635	\$ 1,435,542
Pension	7,057,974	10,769,873
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,665,609</u>	<u>\$ 12,205,415</u>

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

Stark Area Regional Transit Authority
Canton, Ohio

STATEMENT OF NET POSITION
As of December 31, 2024 and 2023

(continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	2024	Restated 2023
CURRENT LIABILITIES:		
Accounts payable	\$ 2,007,894	\$ 3,885,201
Accrued payroll	585,102	496,759
Accrued payroll taxes & withholdings	219,209	528,865
Compensated absences	129,810	96,782
Other current liabilities	63,599	1,067,301
Capital grants payable	471,754	9,800
TOTAL CURRENT LIABILITIES	<u>3,477,368</u>	<u>6,084,708</u>
NONCURRENT LIABILITIES:		
Compensated absences (Note 9)	449,680	445,454
Net OPEB liability (Note 4)	-	482,555
Net pension liability (Note 3)	20,938,306	23,228,813
TOTAL NONCURRENT LIABILITIES	<u>21,387,986</u>	<u>24,156,822</u>
TOTAL LIABILITIES	<u>\$ 24,865,354</u>	<u>\$ 30,241,530</u>
DEFERRED INFLOW OF RESOURCES:		
OPEB	\$ 413,480	\$ 169,217
Pension	95,298	119,312
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 508,778</u>	<u>\$ 288,529</u>
NET POSITION:		
Net investment in capital assets	\$ 67,416,168	\$ 60,356,050
Restricted for OPEB asset	705,133	-
Restricted for net pension asset	225,265	132,677
Unrestricted	<u>(2,328,733)</u>	<u>(362,386)</u>
TOTAL NET POSITION	<u>\$ 66,017,833</u>	<u>\$ 60,126,341</u>

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

Stark Area Regional Transit Authority
Canton, Ohio

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For fiscal years ended December 31, 2024 and 2023

	2024	Restated 2023
OPERATING REVENUES:		
Passenger fares	\$ 1,043,207	\$ 958,460
Special transit fares	628,402	715,970
Auxiliary transportation revenues	186,279	170,962
TOTAL OPERATING REVENUES	<u>1,857,888</u>	<u>1,845,392</u>
OPERATING EXPENSES:		
Labor	12,006,588	12,137,871
Fringe benefits	12,245,499	10,509,763
Materials, supplies and training	4,299,794	4,664,287
ODOT fuel tax reimbursement	(46,777)	(82,253)
Services	3,271,797	2,359,399
Utilities	659,468	666,435
Casualty and liability insurance	802,982	721,246
Leases and rentals	14,005	41,154
Miscellaneous	429,630	1,905,506
TOTAL OPERATING EXPENSES		
EXCLUDING DEPRECIATION	<u>33,682,986</u>	<u>32,923,408</u>
OPERATING LOSS BEFORE DEPRECIATION	(31,825,098)	(31,078,016)
DEPRECIATION EXPENSE (Note 7)	<u>6,764,488</u>	<u>5,713,387</u>
OPERATING LOSS	(38,589,586)	(36,791,403)
NON-OPERATING REVENUES (EXPENSES):		
Sales tax revenues (Note 6)	19,216,960	19,113,421
Operating grants and reimbursements	11,619,649	11,228,496
Interest income	165,855	162,081
Sales tax collection expense	(188,460)	(190,797)
Gain (loss) on disposal of capital assets	(7,655)	111,393
Non-transportation revenues	238,009	708,398
TOTAL NON-OPERATING REVENUES (EXPENSES)-NET	<u>31,044,358</u>	<u>31,132,992</u>
NET LOSS BEFORE CAPITAL GRANTS REVENUE	(7,545,228)	(5,658,411)
CAPTIAL GRANTS:		
Federal capital grants	13,001,642	8,537,893
State capital grants	435,078	971,226
TOTAL CAPITAL GRANTS	<u>13,436,720</u>	<u>9,509,119</u>
INCREASE (DECREASE) IN NET POSITION	5,891,492	3,850,708
NET POSITION, BEGINNING OF YEAR (2023 RESTATED)	60,126,341	56,275,633
NET POSITION, END OF YEAR	<u>\$ 66,017,833</u>	<u>\$ 60,126,341</u>

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

Stark Area Regional Transit Authority

Canton, Ohio

STATEMENT OF CASH FLOWS

For fiscal years ended December 31, 2024 and 2023

	2024	Restated 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 2,086,057	\$ 1,614,794
Cash received from non-transportation activities	238,009	708,398
Cash payments to suppliers for goods and services	(11,808,047)	(7,773,381)
Cash payments to employees for salaries and wages	(11,918,245)	(12,142,157)
Cash payments for employees benefits	(11,143,617)	(10,530,346)
Net Cash used by operating activities	<u>(32,545,843)</u>	<u>(28,122,692)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Sales tax received	18,888,950	18,836,897
Operating and preventive maintenance grants received	9,765,430	10,566,193
Net cash provided by noncapital financing activities	<u>28,654,380</u>	<u>29,403,090</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Federal capital grants revenue	13,898,674	8,984,031
Proceeds (loss) from sale of capital assets	17,105	111,393
Acquisition of capital assets and work in progress	(13,849,367)	(13,169,120)
Net cash used by capital and related financing activities	<u>66,412</u>	<u>(4,073,696)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received from investments	159,142	162,081
Net cash provided by investing activities	<u>159,142</u>	<u>162,081</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,665,909)	(2,631,217)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,484,726</u>	<u>12,115,943</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,818,817</u>	<u>\$ 9,484,726</u>

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

Stark Area Regional Transit Authority

Canton, Ohio

STATEMENT OF CASH FLOWS

For fiscal years ended December 31, 2024 and 2023

(continued)

RECONCILIATION OF OPERATING LOSS	2024	2023
TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (38,589,586)	\$ (36,791,403)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	6,764,488	5,713,387
Cash from non-transportation activities	238,009	708,398
(Increase) decrease in accounts receivable-trade	228,169	(230,598)
(Increase) decrease in materials & supplies inventory	(499,842)	185,383
(Increase) decrease in prepaid expenses & other assets	1,188,714	(1,341,430)
(Increase) decrease in deferred outflows-OPEB	827,907	(1,435,542)
(Increase) decrease in deferred outflows-pension	3,711,899	(7,980,734)
(Increase) decrease in net OPEB asset	(705,133)	2,056,916
(Increase) decrease in net pension asset	(92,588)	49,779
(Decrease) increase in accounts payable	(1,877,306)	2,317,010
(Decrease) increase in net pension liability	(2,290,507)	17,355,779
(Decrease) increase in net OPEB liability	(482,555)	482,555
(Decrease) increase in accrued payroll	88,343	(4,286)
(Decrease) increase in deferred inflows-OPEB	244,263	(1,996,449)
(Decrease) increase in deferred inflows-pension	(24,014)	(7,308,403)
(Decrease) increase in accrued payroll taxes & withholdings	(309,656)	38,405
(Decrease) increase in other current liabilities	(1,003,702)	18,740
(Decrease) increase in compensated absences	37,254	39,801
NET CASH USED IN OPERATING ACTIVITIES	\$ (32,545,843)	\$ (28,122,692)

Supplemental disclosures of cash flow information:

Change in sales tax receivable	\$ 139,550	\$ 85,727
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The accompanying notes are an integral part of these financial statements.



Notes to the Financial Statements 2024

Notes to the Financial Statements includes:

- Organization and Significant Accounting Policies
 - Change in Accounting Principle and Error Corrections
 - Defined Benefit Pension Plans
 - Defined Benefit OPEB Plan
 - Cash and Cash Equivalents
 - Tax Revenues
 - Capital Assets
 - Restricted Assets
 - Noncurrent Liabilities
 - Grant and Reimbursements
 - Risk Management
 - Leases
 - Contingencies
-

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS

For fiscal years ended December 31, 2024 and 2023

1. Organization And Significant Accounting Policies

Organization and Operations

Stark Area Regional Transit Authority (the Authority) was created pursuant to Section 306.30 through 306.71 of the Ohio Revised Code for the purpose of providing public transportation in the Stark County, Ohio area. As a political subdivision, it is distinct from and not an agency of the State of Ohio or any other local governmental unit. The Authority is not subject to federal or state income taxes.

The Authority is managed by a nine-member Board of Trustees and provides virtually all mass-transportation within the Stark County area. Approximately 70 percent of the Authority's employees at January 1, 2022 were subject to a collective bargaining agreement that expires on December 31, 2024.

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, at the rate of .25 percent, .5 percent, 1 percent, or 1.5 percent if approved by a majority of the electors residing within the territorial boundaries of the Authority. Such a sales and use tax is in addition to the sales and use taxes levied by the State of Ohio and Stark County (see Note 6). On November 8, 2016 the voters of Stark County renewed the .25 percent sales tax levy to fund the Authority's operations through June of 2027.

Reporting Entity

The Authority has adopted the provisions of GASB Statement No. 14 "The Financial Reporting Entity" as amended by GASB Statement No. 39 "Determining Whether Certain Organizations are Component Units" 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 Authority. Under the criteria specified in Statement No. 14, the Authority has no component units and is not considered to be a component unit of any other entity.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization And Significant Accounting Policies (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on the determination of net income, financial position, and cash flows. All transactions are accounted for in a single all-inclusive enterprise fund.

The Authority defines operating funds as those funds received or receivable relative to the provision of transit services such as passenger fares, special fares, and auxiliary revenue including advertising on the bus sides. Non-operating funds are funds received or receivable which are peripheral to the transit-related activities such as the dedicated sales tax funds and grants used for planning and preventive maintenance on capital assets funded by the Federal Transit Administration and Ohio Department of Transportation, Office of Transit.

The Authority complies with the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, or cash on hand.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization And Significant Accounting Policies (Continued)

Investments

The Authority's investments (including cash equivalents) are recorded at fair value.

The Authority's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the Authority. The Authority measures their investment in STAR Ohio at the net value (NAV) per share by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For fiscal year 2024, there was no limitation 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. STAR Ohio reserves the right to limit a 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.

The Authority has invested funds in Certificate of Deposit Account Registry Service (CDARS) through Huntington Bank. CDARS are bank invested funds in Certificate of Deposit (CDs) of various banks, up to the \$250,000 per CD, so each is fully insured by the Federal Deposit Insurance Corporation (FDIC), thereby reducing investment risk.

The Authority has invested funds in debt securities, cash, CDs and commercial paper through Fifth Third Securities. Debt securities are invested funds with various government sponsored enterprises.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization and Significant Accounting Policies (Continued)

Materials and Supplies Inventory and Prepaid Items

Materials and supplies inventory are stated at the cost determined using the first-in, first-out valuation method. Inventory generally consists of maintenance parts, supplies for rolling stock and other transportation equipment, fuel and lubricant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Property and Depreciation

Property, facilities, and equipment are stated at historical cost. The cost of normal maintenance and repairs are charged to operations as incurred. Improvements are capitalized and depreciated over the remaining useful lives of the related properties.

Capital assets at an initial cost of \$2,500 or more and with a useful life of more than one year are deemed depreciable and added to capital assets.

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

<u>Description</u>	<u>Years</u>
Buildings and Improvements	40
Transportation Equipment	5-12
Other Equipment	3-8

Transportation equipment is depreciated using the straight-line method for the useful lives described above unless the total mileage allowed per the Federal Transit Authority (FTA) guidelines for depreciation occurs first. Generally, the FTA unit mileage depreciation method is used. Net income (loss) adjusted by the amount of depreciation on capital assets acquired in this manner is closed to net position.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization and Significant Accounting Policies (Continued)

Classifications of Revenues

The Authority has classified its revenues as either operating or non-operating. Operating revenue includes activities that have the characteristics of exchange transactions including passenger fares and advertising revenues. Non-operating revenue includes activities that have the characteristics of non-exchange transactions such as sales tax proceeds and most federal, state, and local grants and contracts.

Recognition of Revenue and Receivables

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

The federal government, through the FTA and the Ohio Department of Transportation (ODOT), provides financial assistance and makes grants directly to the Authority for operations and acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenues over the entitlement periods. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as a project receivable and credited to non-operating revenues when related capital expenses are incurred. Capital grants for the maintenance of property, plant, and equipment are recorded as a project receivable and credited to non-operating revenues in the period operating expenses are incurred.

When assets with fair market value remaining which were acquired with capital grant funds are disposed of, or if revenue from disposal is \$10,000 or more, the Authority is required to notify the granting federal agency. A proportional amount of the above noted proceeds or acquisition value, if any, of such property and equipment may be used to acquire like-kind replacement vehicles or, alternatively, must be remitted to the granting federal agency. The new revenue threshold amount went into effect November 1, 2024.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization and Significant Accounting Policies (Continued)

Classifications of Expenses

The Authority has classified its expenses as either operating or non-operating. Operating expenses are the recurring costs which are related to the operation of the Authority. Non-operating expenses include costs that are due to transactions other than the primary operations of the Authority.

Federal and State Operating and Preventive Maintenance Assistance Funds

Federal and state operating and preventive maintenance assistance funds to be received by the Authority are recorded and reflected as income in the period to which they are applicable.

Sales Tax Revenues

The Authority recognizes sales tax revenues when the underlying sales transaction occurs.

Compensated Absences

The Authority accrues paid time off and sick pay benefits as earned by its employees. Paid time off must be used within the calendar year. Unused paid time off does not carry over to the next fiscal year.

It is the Authority's policy to allow administrative employees to accumulate earned but unused sick leave up to 320 hours. Hours earned during the year exceeding 320 hours are paid at fiscal year end at 50 percent value at the current earnings rate. Administrative employees are paid accrued sick days upon separation from service at 50 percent value at the current earnings rate.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization and Significant Accounting Policies (Continued)

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, (asset), deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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 Authority to report their proportionate share of the net pension/OPEB liability (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 (asset). Under the new standards, the net pension/OPEB liability (asset) equals the Authority 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 Authority. However, the Authority 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.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

1. Organization and Significant Accounting Policies (Continued)

There is no repayment schedule for the net pension liability or the net OPEB liability. The Authority 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 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.

Comparative Data/Reclassifications

Prior year data presented in the Management's Discussion and Analysis and the footnotes have been reclassified in order to be comparative and provide understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2023 financial statements in order to conform to the 2024 presentation.

Restricted Net Position

The Authority applies restricted resources first when expenses are incurred for purposes for which either restricted or unrestricted amounts are available.

2. Change in Accounting Principle and Error Corrections

GASB 101 Compensated Absences

For the year 2024, The Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 101 "Compensated Absences". The primary objective of this Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The implementation of this pronouncement had no effect on net position as reported December 31, 2023:

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

2. Change in Accounting Principle and Error Corrections (Continued)

Net Position December 31, 2023	\$ 63,319,315
Adjustments:	
Compensated Absences - Current	(60,316)
Accrued payroll taxes & withholdings	(96,782)
Compensated Absences - Long Term	157,098
Restated net position December 31, 2023	<u>\$ 63,319,315</u>

GASB 100 Accounting Changes and Error Corrections-an amendment of GASB Statement 62

For the year 2024, The Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 100 "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. An error in calculating Construction & WIP, non-depreciable is discussed in further detail below and its effect on net position.

Error in calculating Construction & Work in Progress (WIP), non-depreciable

In the prior year's financial statements, the Authority incorrectly determined Construction & WIP, non-depreciable (WIP) due to an oversight or misuse of facts that existed at the time the financial statements were issued about conditions that existed as of December 31, 2023 in the amount of \$3,192,974. Certain expenditures incurred prior to 2023 for projects that were not to become assets but remained in WIP during the prior reporting periods. The error has been corrected as a restatement of the beginning net position balance of 2023. The effect of this miscalculation had on beginning net position of 2023 is as follows:

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

2. Change in Accounting Principle and Error Corrections (Continued)

Beginning net position 2023	\$ 59,468,607
Adjustments:	
Construction & WIP, non-depreciable	(3,192,974)
Restated beginning net position 2023	\$ 56,275,633
2023 Increase in Net Position	3,850,708
Restated ending net position 2023	\$ 60,126,341

3. Defined Benefit Pension Plans

Benefit Pension and OPEB Plans

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

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

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.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - Authority employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD plan. While members may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses mainly on the traditional pension and the combined plans.

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans 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

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

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. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plans.

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

2024 Statutory Maximum Contribution Rates	State and Local
Employer	14.00%
Employee	10.00%
 2024 Actual Contribution Rates	
Employer:	
Pension	14.00%
Post-employment Health Care Benefits	<u>0.00%</u>
 Total Employer	<u>14.00%</u>
 Employee	<u>10.00%</u>

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

* Beginning in 2018, OPERS allocated all of the 14% employer contribution rate to funding pension for both the Traditional Pension and Combined plans with no funding to health care. Effective July 1, 2022, OPERS began allocating 2% of the 14% employer contribution rate to health care funding for the Combined Plan.

The Authority's contractually required contribution for the Traditional Pension Plan and the Combined Plan was \$1,898,339 for 2024. Of this amount, \$203,519 is reported as accrued payroll taxes and withholdings.

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

The net pension liability or asset for OPERS was measured as of December 31, 2023, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability or asset was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	OPERS	
	2024	2023
Proportion of the pension liability - prior measurement date	0.078635 %	0.067503 %
Proportion of the pension liability - current measurement date	<u>0.079977</u> %	<u>0.078635</u> %
Change in proportionate share	<u>0.001342</u> %	<u>0.011132</u> %
Proportion of the pension asset - prior measurement date	0.056293 %	0.046307 %
Proportion of the pension asset - current measurement date	<u>0.073286</u> %	<u>0.056293</u> %
Change in proportionate share	<u>0.016993</u> %	<u>0.009986</u> %
Proportionate share of net pension liability	\$ 20,938,306	\$ 23,228,813
Proportionate share of net pension asset	\$ 225,265	\$ 132,677
Pension expense	\$ 3,203,129	\$ 4,006,547

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS	
	2024	2023
Deferred outflows of resources		
Differences between expected and actual experience	\$ 351,347	\$ 779,721
Net difference between projected and actual earnings on pension plan investments	4,262,881	6,669,295
Changes of assumptions	8,360	254,180
Change in proportionate share and difference between employer contributions and proportionate share of contributions	537,047	1,176,551
Employer contributions subsequent to the measurement date	<u>1,898,339</u>	<u>1,890,126</u>
Total deferred outflows of resources	<u>\$ 7,057,974</u>	<u>\$ 10,769,873</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 22,280	\$ 18,958
Change in proportionate share and difference between employer contributions and proportionate share of contributions	<u>73,018</u>	<u>100,354</u>
Total deferred inflows of resources	<u>\$ 95,298</u>	<u>\$ 119,312</u>

\$1,898,339 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or asset in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

Year Ending December 31:	OPERS Traditional	OPERS Combined	Total
2025	\$ 1,544,868	\$ (5,409)	\$ 1,539,459
2026	1,464,832	(869)	1,463,963
2027	2,696,950	10,032	2,706,982
2028	(601,801)	(17,037)	(618,838)
2029	-	(9,892)	(9,892)
Therafter	-	(17,337)	(17,337)
Total	<u>\$ 5,104,849</u>	<u>(40,512)</u>	<u>\$ 5,064,337</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 (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability or asset in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 3.00 percent, simple Post January 7, 2013 retirees, 2.30 percent, simple through 2024, then 2.05 percent, simple
Investment rate of return	6.90 percent
Actuarial cost method	Individual entry age

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

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 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care portfolio. The Defined Benefit portfolio contains the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2% for 2023.

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

Stark Area Regional Transit Authority
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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2023 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	24.00%	2.85%
Domestic equities	21.00%	4.27%
Real estate	13.00%	4.46%
Private equity	15.00%	7.52%
International equities	20.00%	5.16%
Risk parity	2.00%	4.38%
Other investments	<u>5.00%</u>	3.46%
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total pension liability or asset 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 or asset.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability or asset calculated using the current period discount rate assumption of 6.9%, as well as what the Authority's proportionate share of the net pension liability or asset 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:

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

3. Defined Benefit Pension Plans (Continued)

	1% Decrease <u>(5.90%)</u>	Current discount rate <u>(6.90%)</u>	1% Increase <u>(7.90%)</u>
Employer's proportionate share of the net pension liability(asset):			
Traditional Pension Plan	\$ 32,962,521	\$ 20,938,306	\$ 10,937,655
Combined Pension Plan	(136,310)	(225,265)	(295,343)

4. Defined Benefit OPEB Plan

Plan Description - Ohio Public Employees Retirement System (OPERS)

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.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

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For fiscal years ended December 31, 2024 and 2023

4. Defined Benefit OPEB Plan (Continued)

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

- Group A 30 years of qualifying service credit at any age;
- Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;
- Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on

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For fiscal years ended December 31, 2024 and 2023

4. Defined Benefit OPEB Plan (Continued)

years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care 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.

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.

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For fiscal years ended December 31, 2024 and 2023

4. Defined Benefit OPEB Plan (Continued)

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 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. 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 2024. 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 2024 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$0 for 2024.

OPEB Liability 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, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability or asset was based on the Authority'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:

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4. Defined Benefit OPEB Plan (Continued)

	OPERS	
	2024	2023
Proportion of the net OPEB liability or asset:		
Prior measurement date	0.076533%	0.065671%
Current measurement date	0.078129%	0.076533%
Change in proportionate share	<u>0.001596%</u>	<u>0.010862%</u>
Proportionate share of the net		
OPEB liability (asset)	\$ (705,133)	\$ 482,555
OPEB expense	\$ (115,518)	\$ (892,520)

At December 31, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on OPEB plan investments	\$ 423,472	\$ 958,372
Changes of assumptions	181,537	471,323
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,626	5,847
Total deferred outflows of resources	<u>\$ 607,635</u>	<u>\$ 1,435,542</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 100,361	\$ 120,368
Changes of assumptions	303,116	38,782
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,003	10,067
Total deferred inflows of resources	<u>\$ 413,480</u>	<u>\$ 169,217</u>

\$0 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the

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For fiscal years ended December 31, 2024 and 2023

4. Defined Benefit OPEB Plan (Continued)

net OPEB liability or asset in 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS
2025	\$ (21,696)
2026	29,208
2027	329,636
2028	(142,993)
Total	<u>\$ 194,155</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, 2022 rolled forward to the measurement date of December 31, 2023. 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:

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4. Defined Benefit OPEB Plan (Continued)

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 2.75 percent)
Single discount rate:	
Current measurement date	5.7 percent
Prior measurement date	5.22 percent
Investment rate of return	6.00 percent
Municipal bond rate	3.77 percent
Health care cost trend rate	5.50 percent, initial 3.50 percent, ultimate in 2038
Actuarial cost method	Individual entry age normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females). Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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

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4. Defined Benefit OPEB Plan (Continued)

consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, 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	37.00%	2.82%
Domestic equities	25.00%	4.27%
Real estate investment trusts	5.00%	4.68%
International equities	25.00%	5.16%
Risk parity	3.00%	4.38%
Other investments	<u>5.00%</u>	<u>2.43%</u>
Total	<u>100.00%</u>	

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Defined Contribution portfolio and the Health Care 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 was a gain of 14.0% for 2023.

Discount Rate A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. 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

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4. Defined Benefit OPEB Plan (Continued)

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 3.77%. 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 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB asset calculated using the single discount rate of 5.70 percent, as well as what the Authority's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease (4.70%)	Current discount rate (5.70%)	1% Increase (6.70%)
Proportionate share of the net OPEB liability/(asset)	\$ 387,520	\$ (705,133)	\$ (1,610,239)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability or 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 (asset). The following table presents the net OPEB liability (asset) calculated using the assumed trend rates, and the expected net OPEB liability (asset) if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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4. Defined Benefit OPEB Plan (Continued)

			Current health care cost trend rate	
	<u>1% Decrease</u>		<u>assumption</u>	<u>1% Increase</u>
Proportionate share of the net OPEB liability/(asset)	\$ (734,413)	\$	(705,133)	\$ (671,909)

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 2024 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.

5. Cash and Cash Equivalents

Allowable investments are made according to Ohio Revised Code (ORC) Section 135, and are limited to the following:

- U.S. Treasury Bills, Notes, Bonds, issues of the Federal National Mortgage Assn. (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Assn. (SLMA), Government National Mortgage Assn. (GNMA), and other agencies or instrumentalities for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest. Bills are short term (one year or less) obligations issued and sold at a discount. Notes have fixed coupon rates with original maturities of between one and five years. Any eligible investment may be purchased at a premium or a discount, and can include instruments that may be called by the issuer prior to the final maturity date.

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NOTES TO FINANCIAL STATEMENTS

For fiscal years ended December 31, 2024 and 2023

5. Cash and Cash Equivalents (Continued)

- State Treasury Asset Reserve of Ohio (STAR Ohio), managed by the State Treasurer of Ohio.
- Demand deposit accounts (such as checking accounts) established with local financial institutions.
- Certificates of Deposit (CDs) issued by local financial institutions mentioned in Section 135.32 of the ORC.
- Commercial paper notes, limited to 40% (5% for single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days.
- Banker's acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.
- No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Division B(1) or B(2) under Section 135.14 of the ORC and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Section 135.01 of the ORC regarding limitations and restrictions.
- Repurchase agreements with any eligible institution mentioned in Section 135.32 of the ORC, or any eligible securities dealer pursuant to the ORC, except that such eligible securities dealers shall be restricted to primary government securities dealers.
- Repurchase agreements will settle on a delivery vs. payment basis with collateral held in safekeeping by a third-party custodian as agreed to by the Executive Director. The fair value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement by at least two percent as defined under the ORC. The Executive Director reserves the right to require an

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

5. Cash and Cash Equivalents (Continued)

additional percentage of collateral securing such repurchase agreements. Prior to the execution of any repurchase agreement with an eligible dealer, master repurchase agreement will be signed by the Executive Director and the eligible dealer.

The Authority is prohibited from investments of the following:

- The use of derivative securities, as defined in Section 135.14 of the ORC, is expressly prohibited.
- The final maturity of all eligible investments is 5 years, unless the investment is matched to a specific obligation or debt of SARTA, and the investment is specifically approved by the Board of Trustees.
- A repurchase agreement under the terms of which the investing authority agrees to sell securities to a purchaser and agrees with that purchaser to unconditionally repurchase those securities that is not a delivery vs. payment basis transaction.
- The investment into a fund established by another subdivision if the fund was established for the purpose of investing public monies of other subdivisions.
- The use of leverage, in which the investing authority uses its current investment assets as collateral for the purpose of purchasing other assets.
- The issuance of taxable notes for the purpose of arbitrage.
- Contracting to sell securities that have not yet been acquired, for the purpose of purchasing such securities on the speculation that bond prices will decline.

Protection of the Authority'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 institution's 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.

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5. Cash and Cash Equivalents (Continued)

Deposits

At December 31, 2024, the carrying amount of the Authority's deposits was \$1,243,481 and the bank balance was \$2,200,674, based upon the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures". Of the bank balance, \$250,000 was covered by FDIC and \$0 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

At December 31, 2023, the carrying amount of the Authority's deposits was \$1,635,338 and the bank balance was \$1,746,813, based upon the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures". Of the bank balance, \$250,000 was covered by FDIC and \$378,988 was potentially exposed to custodial credit risk as discussed below because those deposits were uninsured and could be uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the FDIC.

The Authority has \$3,910 in undeposited cash on hand which is included as part of cash & cash equivalents.

The Authority's financial institution participates 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 monies deposited in the financial institution.

The OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the Authority's financial institution was approved for a reduced collateral rate of 50 percent through the OPCS.

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5. Cash and Cash Equivalents (Continued)

Investments

Investments are reported at fair value. As of December 31, 2024, the Authority had the following investments:

<u>Investment</u>	<u>2024</u>	<u>Less than 6 Months</u>	<u>More than 6 Months</u>
STAR Ohio	\$ 1,841	\$ 1,841	\$ -
CDARS-52 week	1,051,624	558,063	493,561
Debt Securities	2,045,026	1,563,396	481,630
Cash	117	117	-
Certificates of Deposit	1,472,818	247,673	1,225,145
Total	<u>\$ 4,571,426</u>	<u>\$ 2,371,090</u>	<u>\$ 2,200,336</u>

Investments are reported at fair value. As of December 31, 2023, the Authority had the following investments:

<u>Investment</u>	<u>2023</u>	<u>Less than 6 Months</u>	<u>More than 6 Months</u>
STAR Ohio	\$ 770,351	\$ 770,351	\$ -
CDARS-52 week	1,005,132	-	1,005,132
Debt Securities	2,710,944	1,766,274	944,670
Certificates of Deposit	2,865,782	491,476	2,374,306
Commercial Paper	493,230	493,230	-
Total	<u>\$ 7,845,439</u>	<u>\$ 3,521,331</u>	<u>\$ 4,324,108</u>

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5. Cash and Cash Equivalents (Continued)

The Authority categorizes its fair value measurements within the fair value hierarchy established by general 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 previously discussed, STAR Ohio is reported at its net asset value.

The above charts identify the Authority's recurring fair value measurements as of December 31, 2024 and 2023. The CDARS and money market investments are valued using quoted market prices (Level 1 inputs) on December 31, 2024 and 2023. The fair value of debt securities on December 31, 2024 and 2023 was determined primarily based on Level 2 inputs. Inputs within Level 2 of the fair value hierarchy include inputs that are directly observable for an asset or a liability (including quoted prices for similar assets or liabilities), as well as inputs that are not directly observable for the asset or liability. The debt securities are valued using fair valuation methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, and offers. There is no limitations or restrictions on any STAR Ohio participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given to STAR Ohio 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Transactions in all of a participant's accounts of the Ohio investor will be combined for these purposes.

Interest rate risk

In accordance with its investment policy, the Authority limits its exposure to declines in fair values by limiting the weighted average maturity of its investments in the Ohio Investment Pool to less than 12 months. STAR Ohio's weighted average maturity was 27 days.

Investments in STAR Ohio are unclassified investments in the Ohio Subdivisions Fund. The Ohio Subdivisions Fund represents an investment pool managed by another governmental

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

5. Cash and Cash Equivalents (Continued)

unit and investments therein are not evidenced by securities that exist in physical or book entry form.

<u>2024 Investments</u>	<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1-5 Years</u>
State Treasurer's Inv Pool (STAR Ohio)	\$ 1,841	\$ 1,841	-
CDARS	1,051,624	1,051,624	-
Cash	117	117	-
Debt Securities	2,045,026	1,563,396	481,630
Certificates of Deposit	1,472,818	985,758	487,060
<u>2023 Investments</u>	<u>Fair Value</u>	<u>Within 1 Year</u>	<u>1-5 Years</u>
State Treasurer's Inv Pool (STAR Ohio)	\$ 770,351	\$ 770,351	-
CDARS	1,005,132	767,632	237,500
Debt Securities	2,710,944	2,245,979	464,965
Certificates of Deposit	2,865,782	2,168,488	697,294
Commercial Paper	493,230	493,230	-

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NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

5. Cash and Cash Equivalents (Continued)

Credit Risk

The Authority's investment policy addresses credit risk by the requirements that all investments are authorized by the Ohio Revised Code and that the portfolio be diversified both by types of investments and issuer.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy limits investments to CDARS, CDS, Commercial Paper, Bankers Acceptances, Repurchase Agreements, Municipal Securities, Debt Securities, Money Market and STAR Ohio.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest in any one issuer.

6. Tax Revenues

On November 8, 2016, the voters of Stark County renewed the .25 percent sales tax levy until June of 2027. Revenue generated from the levy can be used for operating or capital purposes. The Authority receives cash from the sales tax levy when the related sales tax collections are distributed by the State of Ohio.

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7. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance 1/1/2024	Additions	Disposals	Transfers	Ending Balance 12/31/2024
Capital Assets Not Being Depreciated:					
Land	\$ 2,562,013	\$ 30,116	\$ -	\$ -	\$ 2,592,129
Construction & WIP	19,269,069	4,712,035	(156,481)	(21,880,696)	1,943,927
Total Capital Assets Not Depreciated	21,831,082	4,742,151	(156,481)	(21,880,696)	4,536,056
Capital Assets Being Depreciated:					
Buildings & Improvements	21,122,660	-	(20,342)	19,916,208	41,018,526
Transportation Equipment	55,911,396	8,580,781	(3,711,032)	1,214,740	61,995,885
Other Equipment	6,897,240	900,426	(131,895)	749,748	8,415,519
Total Capital Assets Being Depreciated	83,931,296	9,481,207	(3,863,269)	21,880,696	111,429,930
Total Capital Assets	105,762,378	14,223,358	(4,019,750)	-	115,965,986
Less Accumulated Depreciation for:					
Buildings & Improvements	7,216,818	1,075,264	-	-	8,292,082
Transportation Equipment	32,627,708	4,976,072	(3,591,298)	-	34,012,482
Other Equipment	5,561,802	713,152	(29,700)	-	6,245,254
Total Accumulated Depreciation	45,406,328	6,764,488	(3,620,998)	-	48,549,818
Total Capital Assets, Net	\$ 60,356,050	\$ 7,458,870	\$ (398,752)	\$ -	\$ 67,416,168

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

7. Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2023, was as follows:

	Restated Beginning Balance 1/1/2023	Additions	Disposals	Transfers	Ending Balance 12/31/2023
Capital Assets Not Being Depreciated:					
Land	\$ 2,537,013	\$ 25,000	\$ -	\$ -	\$ 2,562,013
Construction & WIP	7,181,150	12,863,869	-	(775,950)	19,269,069
Total Capital Assets Not Depreciated	9,718,163	12,888,869	-	(775,950)	21,831,082
Capital Assets Being Depreciated:					
Buildings & Improvements	20,982,950	139,710	-	-	21,122,660
Transportation Equipment	57,992,997	104,995	(2,861,308)	674,712	55,911,396
Other Equipment	6,749,305	120,560	(73,863)	101,238	6,897,240
Total Capital Assets Being Depreciated	85,725,252	365,265	(2,935,171)	775,950	83,931,296
Total Capital Assets	95,443,415	13,254,134	(2,935,171)	-	105,762,378
Less Accumulated Depreciation for:					
Buildings & Improvements	6,688,398	528,420	-	-	7,216,818
Transportation Equipment	30,745,225	4,658,776	(2,776,293)	-	32,627,708
Other Equipment	5,109,475	526,191	(73,864)	-	5,561,802
Total Accumulated Depreciation	42,543,098	5,713,387	(2,850,157)	-	45,406,328
Total Capital Assets, Net	\$ 52,900,317	\$ 7,540,747	\$ (85,014)	\$ -	\$ 60,356,050

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

8. Restricted Assets

During 2024, the Authority received insurance proceeds for busses that were involved in accidents but deemed to be unrepairable. The proceeds received in the current year will be used to offset the expense of future bus purchases reducing the amount drawn from grant funds. As of December 31, 2024 and 2023, the balance in restricted cash related to these proceeds was \$471,754 and \$0, respectively.

9. Noncurrent Liabilities

Sick leave is earned for regular full-time employees at the rate of 4 hours per pay period. For non-union employees that worked less than 64 hours, the accrued amount is prorated at a rate of .05 based on the number of hours worked in that pay period. Sick time will continue to accrue up to 320 hours. Any additional hours beyond 320 shall be cashed out at one-half the non-union employee's regular hourly rate on December 31st, or the last day of the calendar year. Upon involuntary termination for other than gross misconduct, or upon resignation with at least two weeks' notice, accumulated and unused sick time may be paid at one-half of the non-union employee's regular hourly rate.

	Restated Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Due Within One Year
Compensated Absences	<u>\$ 542,236</u>	<u>\$ 134,036</u>	<u>\$ (96,782)</u>	<u>\$ 579,490</u>	<u>\$ (129,810)</u>
	Balance 1/1/2023	Additions	Retirements	Restated Balance 12/31/2023	Due Within One Year
Compensated Absences	<u>\$ 405,653</u>	<u>\$ 293,681</u>	<u>\$ (157,098)</u>	<u>\$ 542,236</u>	<u>\$ (96,782)</u>

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

9. Noncurrent Liabilities (Continued)

	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Due Within One Year
Pension, Net	<u>\$ 23,228,813</u>	<u>\$ -</u>	<u>\$(2,290,507)</u>	<u>\$ 20,938,306</u>	<u>\$ -</u>
	Balance 1/1/2023	Additions	Retirements	Balance 12/31/2023	Due Within One Year
Pension, Net	<u>\$ 5,873,034</u>	<u>\$ 17,355,779</u>	<u>\$ -</u>	<u>\$ 23,228,813</u>	<u>\$ -</u>
	Balance 1/1/2024	Additions	Retirements	Balance 12/31/2024	Due Within One Year
OPEB, net	<u>\$ 482,555</u>	<u>\$ -</u>	<u>\$ (482,555)</u>	<u>\$ -</u>	<u>\$ -</u>
	Balance 1/1/2023	Additions	Retirements	Balance 12/31/2023	Due Within One Year
OPEB, net	<u>\$ -</u>	<u>\$ 482,555</u>	<u>\$ -</u>	<u>\$ 482,555</u>	<u>\$ -</u>

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS

For fiscal years ended December 31, 2024 and 2023

10. Grants and Reimbursements

Grants and reimbursements included in the statement of revenues, expenses, and changes in net position for the years ended December 31, 2024, and 2023 consist of the following:

Grants	2024	2023
State and Federal Preventative Maintenance	\$ 5,314,375	\$ 35,840
Federal Planning	3,685	87,811
Federal and State Capital & Operating	19,738,309	20,613,964
Total Grants	25,056,369	20,737,615
ODOT Fuel Tax Reimbursement	46,777	82,253
Total Reimbursements	46,777	82,253
Total Grants and Reimbursements	\$ 25,103,146	\$ 20,819,868

11. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, floods, tornadoes, and earthquakes, errors and omissions, employment-related matters, injuries to employees, and employee theft and fraud. Effective December 31, 1997, the Authority joined together with certain other transit authorities in the State to form the Ohio Transit Insurance Association, Inc. (name changed to Ohio Transit Risk Pool in 2002 – OTRP), a joint self-insurance pool pursuant to Section 2744.081 of the Ohio Revised Code, currently operating as a common risk management and insurance program for fifteen (as of December 31, 2024) member transit agencies. The Authority pays an annual premium to OTRP for its general insurance coverage for losses greater than the Pool's retained losses. Quarterly, the Authority pays into a loss and administration fund pursuant to OTRP's bylaws to fund this retained layer. The Agreement of Formation of OTRP provides that OTRP will be self-sustaining through member contributions and will purchase coverage in excess of the Pool retained amount through commercial companies with an industry standard rating of A or better. All retained amounts and limits listed are per occurrence. Coverage is granted per occurrence.

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS

For fiscal years ended December 31, 2024 and 2023

11. Risk Management (Continued)

Current coverage is purchased for commercial property losses in excess of \$1,000 with limits up to \$10,000,000 per occurrence and for auto physical damages losses in excess of \$1,000 with limits up to \$10,000,000 per occurrence. Additionally, coverage is purchased for all covered liability claims in excess of \$1,000 with limits up to \$10,000,000 for automobile liability and \$1,000,000 for all other liability coverage. The Authority is responsible for the first \$1,000 of any property and/or liability claim or occurrence, and any amounts above the per occurrence limit of coverage.

OTRP also provides coverage for boiler & machinery with limits of \$50,000 per occurrence and crime and fidelity with limits of \$4,000,000. OTRP purchases a public official's bond for the Authority's fiscal officer(s) as required by ORC Section 306.42.

The Authority continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no reductions of limits from the prior year. The Authority does have a policy relating to the credit risk of investments.

The Authority participates in the Health Transit Pool of Ohio.

12. Leases

Currently, the Authority does not have any capital leases that are considered to be material.

Stark Area Regional Transit Authority
Canton, Ohio

NOTES TO FINANCIAL STATEMENTS
For fiscal years ended December 31, 2024 and 2023

13. Contingencies

Grants

Federal and State Grants – Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expense under the terms of the grant. At December 31, 2024 there were no material questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of the Authority's management, no material grant expenses will be disallowed.

Litigation

The Authority is party to claims and litigation. The Authority's management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.



Required Supplementary Information 2024

Required Supplementary Information includes:

- Schedule of the Authority's Proportionate Share of the Net Pension Liability-Traditional Plan
 - Schedule of the Authority's Contributions-Pension-Traditional Plan
 - Schedule of the Authority's Proportionate Share of the Net Pension Asset-Combined Plan
 - Schedule of the Authority's Contributions-Pension-Combined Plan
 - Schedule of the Authority's Proportionate Share of the Net OPEB Liability or Asset
 - Schedule of the Authority's Contributions-OPEB
 - Notes to Required Supplementary Information
-

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Liability

Ohio Public Employees Retirement System (OPERS)–Traditional Plan

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.079977%	0.078635%	0.067503%	0.069459%	0.069550%	0.066196%	0.065078%	0.063678%	0.061711%	0.060696%
Authority's proportionate share of the net pension liability	\$20,938,306	\$ 23,228,813	\$ 5,873,034	\$ 10,285,366	\$ 13,747,029	\$ 18,129,742	\$ 10,209,477	\$ 14,460,191	\$ 10,689,124	\$ 7,320,616
Authority's covered payroll	\$13,164,379	\$ 12,189,364	\$ 9,796,750	\$ 9,782,879	\$ 9,785,571	\$ 9,020,143	\$ 8,589,069	\$ 7,873,350	\$ 7,854,942	\$ 7,478,633
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	159.05%	190.57%	59.95%	105.14%	140.48%	200.99%	118.87%	183.66%	136.08%	97.89%
Plan fiduciary net position as a percentage of total pension liability	79.01%	75.74%	92.62%	86.88%	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Required Supplementary Information

Schedule of the Authority's Contributions-Pension

Ohio Public Employees Retirement System (OPERS)–Traditional Plan

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution-Pension	\$ 1,862,365	\$ 1,843,013	\$ 1,706,511	\$ 1,371,545	\$ 1,369,603	\$ 1,369,980	\$ 1,262,820	\$ 1,116,579	\$ 944,802	\$ 942,593
Contributions in relation to contractually required contribution	<u>(1,862,365)</u>	<u>(1,843,013)</u>	<u>(1,706,511)</u>	<u>(1,371,545)</u>	<u>(1,369,603)</u>	<u>(1,369,980)</u>	<u>(1,262,820)</u>	<u>(1,116,579)</u>	<u>(944,802)</u>	<u>(942,593)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 13,302,607	\$ 13,164,379	\$ 12,189,364	\$ 9,796,750	\$ 9,782,879	\$ 9,785,571	\$ 9,020,143	\$ 8,589,069	\$ 7,873,350	\$ 7,854,942
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net Pension Asset

Ohio Public Employees Retirement System (OPERS)–Combined Plan

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension asset	0.073286%	0.056293%	0.046307%	0.045950%	0.044230%	0.041230%	0.040418%	0.042470%	0.048960%	0.022117%
Authority's proportionate share of the net pension asset	\$ 225,265	\$ 132,677	\$ 182,456	\$ 132,641	\$ 92,230	\$ 46,104	\$ 55,022	\$ 23,637	\$ 23,825	\$ 8,515
Authority's covered payroll	\$336,521	\$ 263,836	\$ 211,114	\$ 202,500	\$ 196,893	\$ 187,921	\$ 178,938	\$ 182,875	\$ 96,192	\$ 80,842
Authority's proportionate share of the net pension asset as a percentage of its covered payroll	66.94%	50.29%	86.43%	65.50%	46.84%	24.53%	30.75%	12.93%	24.77%	10.53%
Plan fiduciary net position as a percentage of total pension asset	144.55%	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%	116.55%	116.90%	114.83%

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Required Supplementary Information

Schedule of the Authority's Contributions-Pension

Ohio Public Employees Retirement System (OPERS)–Combined Plan

Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution-Pension	\$ 35,974	\$ 47,113	\$ 36,937	\$ 29,556	\$ 28,350	\$ 27,565	\$ 26,309	\$ 23,262	\$ 21,945	\$ 11,543
Contributions in relation to contractually required contribution	(35,974)	(47,113)	(36,937)	(29,556)	(28,350)	(27,565)	(26,309)	(23,262)	(21,945)	(11,543)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 256,957	\$ 336,521	\$ 263,836	\$ 211,114	\$ 202,500	\$ 196,893	\$ 187,921	\$ 178,938	\$ 182,875	\$ 96,192
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%	12.00%	12.00%

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Required Supplementary Information

Schedule of the Authority's Proportionate Share of the Net OPEB Liability or Asset

Ohio Public Employees Retirement System (OPERS)

Last Eight Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017
Authority's proportion of the net OPEB liability or asset	0.078129%	0.076533%	0.065671%	0.067410%	0.067752%	0.064528%	0.063251%	0.061951%
Authority's proportionate share of the net OPEB liability (asset)	\$ (705,133)	\$ 482,555	\$ (2,056,916)	\$ (1,200,963)	\$ 9,358,311	\$ 8,412,928	\$ 6,868,593	\$ 6,257,261
Authority's covered payroll	\$ 13,792,657	\$ 12,737,957	\$ 10,240,650	\$ 10,195,710	\$ 10,191,016	\$ 9,247,360	\$ 8,947,000	\$ 8,628,900
Authority's proportionate share of the net OPEB liability or asset as a percentage of its covered payroll	5.11%	3.79%	-20.09%	-11.78%	91.83%	90.98%	76.77%	72.52%
Plan fiduciary net position as a percentage of total OPEB liability or asset	107.76%	94.79%	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 Authority's measurement date which is the prior year end.

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY
Canton, Ohio
Required Supplementary Information
Schedule of the Authority's Contributions-OPEB
Ohio Public Employees Retirement System (OPERS)
Last Ten Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution - OPEB (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,470	\$ 172,578	\$ 159,023
Contributions in relation to contractually required contribution	-	-	-	-	-	-	-	(89,470)	(172,578)	(159,023)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll (1)	\$ 13,813,407	\$ 13,792,657	\$ 12,737,957	\$ 10,240,650	\$ 10,195,710	\$ 10,191,016	\$ 9,247,360	\$ 8,947,000	\$ 8,628,900	\$ 7,951,133
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	2.00%	2.00%

(1) Prior to 2017, contributions do not contain MD plan contributions.

See notes to the Required Supplementary Information

STARK AREA REGIONAL TRANSIT AUTHORITY

Canton, Ohio

Notes to Required Supplementary Information

For the year Ended December 31, 2024

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 were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2024. 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 2024. See the notes to the basic financials for the methods and assumptions in this calculation.



Financial Trend Information 2024

(Unaudited)

- Table 1 – Net Position by Component
 - Table 2 – Statement of Revenues, Expenses and Changes in Net Position
-

These schedules show how the Authority's Net Position has changed over a ten-year period and gives the reader the ability to see the fluctuations over that time period.

STARK AREA REGIONAL TRANSIT AUTHORITY
NET POSITION BY COMPONENT
LAST TEN YEARS
(Unaudited)

Table 1

	2024	Restated 2023**	2022	2021	2020	2019	2018	Restated 2017*	2016	2015
NET POSITION										
Net Investment in Capital Assets	\$ 67,416,168	\$ 60,356,050	\$ 56,093,291	\$ 49,521,597	\$ 50,467,318	\$ 51,603,825	\$ 48,291,911	\$ 48,654,323	\$ 49,205,091	\$ 36,746,495
Restricted	930,398	132,677	-	534,888	534,888	390,399	370,902	209,739	106,799	125,918
Unrestricted	(2,328,733)	(362,386)	3,375,316	(1,726,064)	(7,129,300)	(10,307,052)	(3,079,228)	280,503	7,771,176	6,758,329
TOTAL NET POSITION	\$ 66,017,833	\$ 60,126,341	\$ 59,468,607	\$ 48,330,421	\$ 43,872,906	\$ 41,687,172	\$ 45,583,585	\$ 49,144,565	\$ 57,083,066	\$ 43,630,742

* 2017 restated to comply with GASB 75

**2023 restated to comply with GASB 101

STARK AREA REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
LAST TEN YEARS
(Unaudited)

Table 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
OPERATING REVENUES										
Passenger Fares.....	\$ 1,043,207	\$ 958,460	\$ 806,636	\$ 836,051	\$ 680,267	\$ 1,227,723	\$ 1,358,033	\$ 1,148,401	\$ 1,200,231	\$ 1,348,373
Special Transit Fares.....	628,402	715,970	546,514	418,116	400,925	775,676	879,020	978,456	1,024,495	990,281
Auxiliary Transportation Revenues.....	186,279	170,962	108,490	341,388	105,608	56,929	164,702	112,362	71,041	110,273
TOTAL OPERATING REVENUES	\$ 1,857,888	\$ 1,845,392	\$ 1,461,640	\$ 1,595,555	\$ 1,186,800	\$ 2,060,328	\$ 2,401,755	\$ 2,239,219	\$ 2,295,767	\$ 2,448,927
OPERATING EXPENSES										
Labor.....	\$ 12,006,588	\$ 12,137,871	\$ 10,788,530	\$ 9,014,151	\$ 8,942,812	\$ 9,135,839	\$ 8,320,070	\$ 7,922,433	\$ 7,601,170	\$ 7,142,492
Fringe Benefits.....	12,245,499	10,509,763	4,685,862	959,421	10,732,287	11,583,533	9,035,782	8,672,802	6,783,211	5,858,125
Materials, Supplies and Training.....	4,299,794	4,664,287	4,115,710	3,518,929	2,851,477	3,174,573	3,237,323	2,921,073	2,501,737	3,045,136
ODOT Fuel Tax Reimbursement.....	(46,777)	(82,253)	(100,703)	(108,649)	(99,061)	(105,603)	(87,114)	(98,013)	(105,527)	(108,694)
Services.....	3,271,797	2,359,399	2,398,604	1,902,397	1,604,585	1,680,512	1,483,953	1,454,817	1,313,963	1,375,355
Utilities.....	659,468	666,435	608,718	501,086	473,665	544,078	532,743	453,531	415,293	414,994
Casualty & Liability Insurance.....	802,982	721,246	737,996	560,386	570,203	710,429	539,302	498,287	683,314	476,012
Leases & Rentals.....	14,005	41,154	66,155	80,205	68,262	38,630	39,491	47,266	28,922	52,462
Miscellaneous	429,630	1,905,506	903,762	1,206,095	1,927,090	1,057,656	704,310	1,102,073	1,012,790	231,512
TOTAL OPERATING EXPENSES	\$ 33,682,986	\$ 32,923,408	\$ 24,204,634	\$ 17,634,021	\$ 27,071,320	\$ 27,819,647	\$ 23,805,860	\$ 22,974,269	\$ 20,234,873	\$ 18,487,394
OPERATING LOSS	\$ (31,825,098)	\$ (31,078,016)	\$ (22,742,994)	\$ (16,038,466)	\$ (25,884,520)	\$ (25,759,319)	\$ (21,404,105)	\$ (20,735,050)	\$ (17,939,106)	\$ (16,038,467)
Before Depreciation Expense										
Depreciation Expense	6,764,488	5,713,387	5,205,257	4,377,651	3,810,221	4,309,511	4,504,509	4,064,382	3,755,115	3,453,601
OPERATING LOSS	\$ (38,589,586)	\$ (36,791,403)	\$ (27,948,251)	\$ (20,416,117)	\$ (29,694,741)	\$ (30,068,830)	\$ (25,908,614)	\$ (24,799,432)	\$ (21,694,221)	\$ (19,492,068)
NON-OPERATING REVENUES (EXPENSES)										
Sales Tax Revenues.....	\$ 19,216,960	\$ 19,113,421	\$ 18,737,354	\$ 17,786,775	\$ 15,224,360	\$ 15,187,998	\$ 15,748,323	\$ 15,231,084	\$ 14,812,362	\$ 14,573,689
Operating Grants and Reimbursements.....	11,619,649	11,228,496	11,660,316	5,193,896	8,379,851	5,867,299	2,659,812	5,249,582	4,424,793	3,050,742
Investment/Interest Income.....	165,855	162,081	50,226	6,998	70,876	243,150	151,675	40,546	67,488	17,604
Sales Tax Collection Expense.....	(188,460)	(190,797)	(185,253)	(172,880)	(152,244)	(151,880)	(149,527)	(148,633)	(148,124)	(145,737)
Gain (Loss) on Disposal of Capital Assets.....	(7,655)	111,393	(375,128)	(1,657,968)	5,936	600	6,246	12,366	675	(58,557)
Non-Transportation Revenues.....	238,009	708,398	56,780	917,571	285,042	170,342	151,609	124,505	20,810	54,616
TOTAL NON-OPERATING REVENUES (EXPENSES)-NET	\$ 31,044,358	\$ 31,132,992	\$ 29,944,295	\$ 22,074,392	\$ 23,813,821	\$ 21,317,509	\$ 18,568,138	\$ 20,509,450	\$ 19,178,004	\$ 17,492,357
CAPITAL GRANTS REVENUE										
Federal Capital Grants.....	\$ 13,001,642	\$ 8,537,893	\$ 6,513,041	\$ 2,268,594	\$ 4,844,758	\$ 4,854,908	\$ 3,779,496	\$ 2,519,273	\$ 15,968,541	\$ 3,736,887
State/Local Capital Grants.....	435,078	971,226	2,629,101	530,646	3,221,896	-	-	-	-	-
Restricted Federal Capital Grants.....	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL GRANTS REVENUE	\$ 13,436,720	\$ 9,509,119	\$ 9,142,142	\$ 2,799,240	\$ 8,066,654	\$ 4,854,908	\$ 3,779,496	\$ 2,519,273	\$ 15,968,541	\$ 3,736,887
CHANGE IN NET POSITION	\$ 5,891,492	\$ 3,850,708	\$ 11,138,186	\$ 4,457,515	\$ 2,185,734	\$ (3,896,413)	\$ (3,560,980)	\$ (1,770,709)	\$ 13,452,324	\$ 1,737,176



Revenue Capacity Information 2024

(Unaudited)

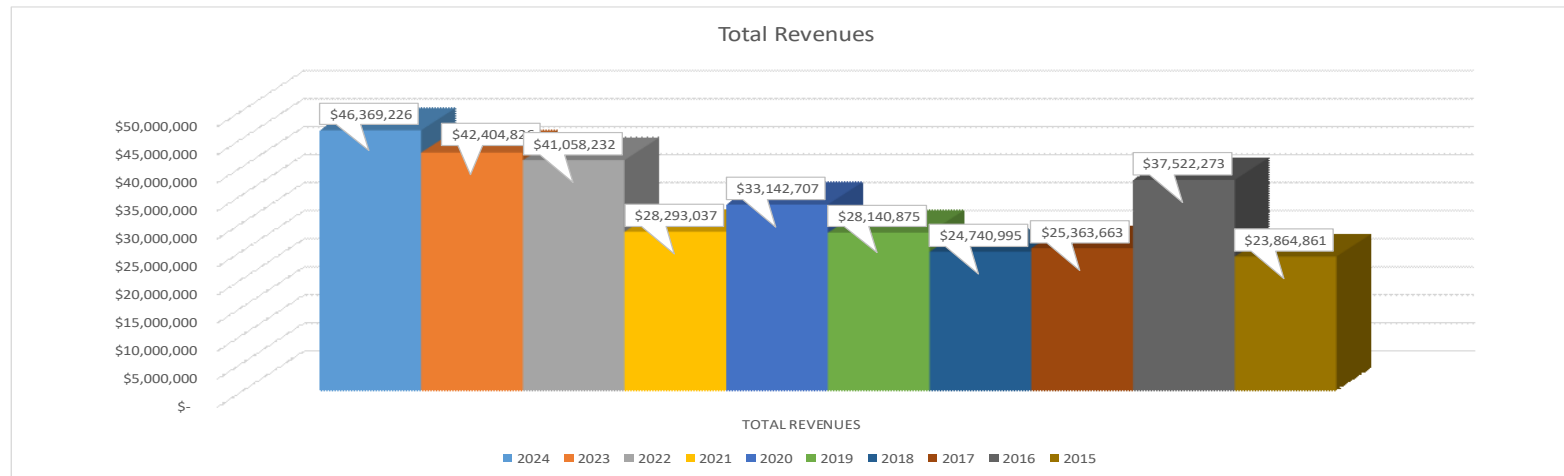
- Table 3 – Revenue Base
 - Table 4 – Passenger Revenue Rates
 - Table 5 – Sales Tax Revenue
-

These schedules provide the reader insight into the Authority's most significant revenue sources, and how each one plays a significant role in the Authority's financials.

STARK AREA REGIONAL TRANSIT AUTHORITY
REVENUE BASE
LAST TEN YEARS
(Unaudited)

Table 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FARES	\$ 1,857,888	\$ 1,845,392	\$ 1,461,640	\$ 1,595,555	\$ 1,186,800	\$ 2,060,328	\$ 2,401,755	\$ 2,239,219	\$ 2,295,767	\$ 2,448,927
SALES TAX	\$ 19,216,960	\$ 19,113,421	\$ 18,737,354	\$ 17,786,775	\$ 15,224,360	\$ 15,187,998	\$ 15,748,323	\$ 15,231,084	\$ 14,812,362	\$ 14,573,689
FEDERAL:										
Operating Grants	\$ 10,327,179	\$ 11,228,496	\$ 11,660,316	\$ 5,193,896	\$ 8,379,851	\$ 5,867,299	\$ 2,659,812	\$ 5,249,582	\$ 4,424,793	\$ 3,050,742
Capital Grant Reimbursements	\$ 13,001,642	\$ 8,537,893	\$ 6,513,041	\$ 2,268,594	\$ 4,844,758	\$ 4,854,908	\$ 3,779,496	\$ 2,519,273	\$ 15,968,541	\$ 3,736,887
STATE:										
Operating Grants	\$ 1,292,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Grant Reimbursements	\$ 435,078	\$ 971,226	\$ 2,629,101	\$ 530,646	\$ 3,221,896	\$ -	\$ -	\$ -	\$ -	\$ -
LOCAL:										
Non-Transportation	\$ 238,009	\$ 708,398	\$ 56,780	\$ 917,571	\$ 285,042	\$ 170,342	\$ 151,609	\$ 124,505	\$ 20,810	\$ 54,616
TOTAL REVENUES	\$ 46,369,226	\$ 42,404,826	\$ 41,058,232	\$ 28,293,037	\$ 33,142,707	\$ 28,140,875	\$ 24,740,995	\$ 25,363,663	\$ 37,522,273	\$ 23,864,861



STARK AREA REGIONAL TRANSIT AUTHORITY
PASSANGER REVENUE RATES
As of December 31, 2024
(Unaudited)

Table 4

TICKET/PASS	SINGLE FARE TICKET	10-RIDE TICKET	31-DAY PASS
ROUTES:			
REGULAR FIXED ROUTE	\$ 1.50	\$ 15.00	\$ 45.00
REDUCED FIXED ROUTE	\$ 0.75	\$ 7.50	\$ 22.50
PROLINE	\$ 2.25	\$ 22.50	
STUDENT FIXED ROUTE			\$ 27.50
DAY PASS	\$ 3.00		
CLEVELAND FIXED ROUTE	\$ 2.50		

Regular Fixed Fare

- For passengers ages 6-64 (eligible for free route transfer).

Reduced Fixed Fare

- For passengers 65 years or older, those with a disability, or Medicare cardholders. For the \$.75 cash fares, riders should show documentation and a copy of their photo ID or buy tickets from customer service.

Paratransit (Proline)

- For passengers registered with the ADA Curb-to-Curb program. Proline operates in all of Stark County. Passengers not registered with the ADA program will pay the Non-ADA Fare.

Student Fixed Fare

- The student 31-Day Pass is the only student fare and is available for riders 6-18 years of age or any college student that can show proof that they are currently enrolled. Students need to pay \$1.50 unless showing a 31-Day Pass, Day Pass or Transfer.

31- Day Pass

- Good for 31 days from the first time it is activated through the farebox.

Day Pass

- Good for unlimited rides from the first time of issue until the end of service for the day.

Cleveland Fixed Fare

- Single ride tickets also work with Cleveland RTA lines.

Children

- Passengers age 5 and under, accompanied by an adult, ride for free.

STARK AREA REGIONAL TRANSIT AUTHORITY
SALES TAX REVENUE
LAST TEN YEARS
(Unaudited)

Table 5

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
SALES TAX REVENUE	\$ 19,216,960	\$ 19,113,421	\$ 18,737,354	\$ 17,786,775	\$ 15,224,360	\$ 15,187,998	\$ 15,748,323	\$ 15,231,084	\$ 14,812,362	\$ 14,573,689
POPULATION*	374,091	372,716	372,657	373,834	369,964	370,606	375,586	372,542	375,586	375,165
SALES TAX PER CAPITA	\$ 51.37	\$ 51.28	\$ 50.28	\$ 47.58	\$ 41.15	\$ 40.98	\$ 41.93	\$ 40.88	\$ 39.44	\$ 38.85

*Population

US Census Bureau Annual Estimates of Population for the Counties of Ohio

2017 <https://factfinder.census.gov>

2018 <https://suburbanstats.org/population/ohio/how-many-people-live-in-stark-county>

2019 <https://census.gov/quickfacts/fact/table/starkcountyohio>

2020 <https://worldpopulationsreview.com/us-counties/oh/stark-county-population>

2021 <https://census.gov/quickfacts/fact/table/starkcountyohio,OH/PST045221>

2022 <https://census.gov/quickfacts/fact/table/starkcountyohio,OH/PST045221>

2023 <https://census.gov/quickfacts/fact/table/starkcountyohio,OH/PST045221>

2024 <https://census.gov/quickfacts/fact/table/starkcountyohio,OH/PST045221>



Operating Information 2024

(Unaudited)

- Table 6 – Employees & Labor Classification
 - Table 7 – Operating Indicators
 - Table 8 – Expenses by Source/Object
 - Table 9 – Capital Assets Statistics
-

These schedules show an insight into the Authority's day-to-day operations, as well as provides the reader a way to understand the service that is provided by the Authority.

STARK AREA REGIONAL TRANSIT AUTHORITY
EMPLOYEES AND LABOR CLASSIFICATION
LAST TEN YEARS
(Unaudited)

Table 6

CLASSIFICATION/YEAR	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
VEHICLE OPERATIONS	149	165	153	145	144	160	164	162	163	165
VEHICLE MAINTENANCE	33	31	30	30	33	29	27	31	28	28
NON-VEHICLE MAINTENANCE	5	4	4	4	4	4	4	4	3	3
GENERAL ADMINISTRATION	35	37	34	33	37	29	20	19	19	19
TOTAL OPERATING LABOR	222	237	221	212	218	222	215	216	213	215
TOTAL CAPITAL LABOR	0	0	0	0	0	0	0	0	0	0
TOTAL LABOR	222	237	221	212	218	222	215	216	213	215

Data compiled from SARTA Payroll and Human Resource reports.

STARK AREA REGIONAL TRANSIT AUTHORITY
OPERATING INDICATORS
LAST TEN YEARS
(unaudited)

Table 7

System Ridership*1	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fixed Route	1,311,763	1,196,130	1,115,379	1,090,799	1,242,691	2,171,556	2,290,017	2,239,560	2,311,193	2,499,409
Paratransit	128,892	150,046	125,564	100,045	92,110	158,983	161,264	162,339	171,493	136,901
Shuttles and Specials	14,837	25,768	0	0	0	25,325	28,951	21,619	29,949	44,937
Average Weekday*1 System Ridership										
Fixed Route	4,273	4,076	3,740	3,659	4,195	7,459	7,909	7,111	8,038	9,009
Paratransit	419	531	440	347	311	571	576	632	617	552
Average Weekday*1 Miles Operated										
Fixed Route	8,104	7,402	7,783	8,000	7,469	8,238	8,219	7,767	7,988	8,850
Paratransit	5,951	5,058	4,447	3,879	3,450	5,112	5,371	5,307	5,390	5,672
Revenue Miles*1										
Fixed Route	2,486,656	2,289,475	2,234,410	2,018,280	2,250,669	2,296,131	2,218,699	2,262,229	2,249,630	2,247,849
Paratransit	1,301,237	1,169,853	1,156,152	1,117,688	826,064	1,268,835	1,281,624	1,307,673	1,384,210	1,440,588
Passenger Miles*1										
Fixed Route	2,486,656	2,289,475	2,234,410	21,004,317	6,063,424	14,799,713	15,374,255	15,613,135	18,696,527	12,738,406
Paratransit	1,301,237	1,169,853	1,156,152	779,029	687,362	1,353,178	1,425,633	1,826,865	1,498,475	1,221,319
Energy Consumption*2										
Gallons of CNG & Diesel/Biodiesel	411,504	588,845	568,386	329,580	342,409	654,199	631,499	646,626	575,555	638,703
Cost	\$491,973	\$773,481	\$861,166	\$544,443	\$545,466	\$1,266,898	\$851,984	\$857,572	\$755,981	\$1,173,285
Average Cost per Gallon	\$1.20	\$1.31	\$1.52	\$1.65	\$1.59	\$1.94	\$1.35	\$1.33	\$1.31	\$1.84
Fleet Requirement*1										
Fixed Route	36	36	36	36	36	36	36	36	33	34
Paratransit	30	30	30	30	30	30	30	30	30	26
Total Active Vehicles*1										
Fixed Route	45	46	46	47	47	47	47	50	52	38
Paratransit	47	58	74	50	53	53	53	52	42	42
Number of Employees*3										
Full Time Equivalent	222	237	221	212	218	222	215	216	213	215

*1 Data compiled from National Transit Database

*2 Data compiled from Maintenance Department

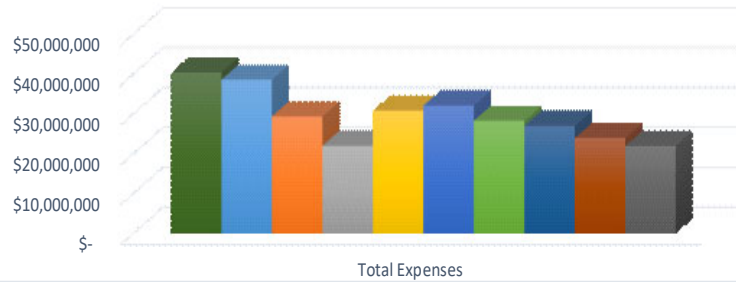
*3 Data compiled from Payroll Department

STARK AREA REGIONAL TRANSIT AUTHORITY
EXPENSES BY SOURCE/OBJECT
LAST TEN YEARS
(Unaudited)

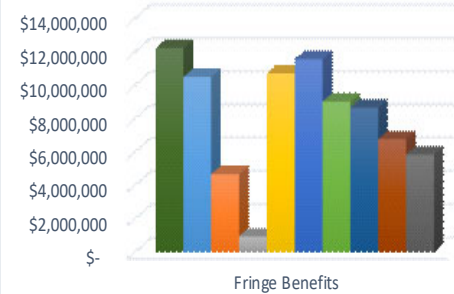
Table 8

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Labor	\$ 12,006,588	\$ 12,137,871	\$ 10,788,530	\$ 9,014,151	\$ 8,942,812	\$ 9,135,839	\$ 8,320,070	\$ 7,922,433	\$ 7,601,170	\$ 7,142,492
Fringe Benefits	\$ 12,245,499	\$ 10,509,763	\$ 4,685,862	\$ 959,421	\$ 10,732,287	\$ 11,583,533	\$ 9,035,782	\$ 8,672,802	\$ 6,783,211	\$ 5,858,125
General & Administrative	\$ 9,430,899	\$ 10,275,774	\$ 8,730,242	\$ 7,660,449	\$ 7,396,221	\$ 7,100,275	\$ 6,450,008	\$ 6,379,034	\$ 5,850,492	\$ 5,486,777
Depreciation	\$ 6,764,488	\$ 5,713,387	\$ 5,205,257	\$ 4,377,651	\$ 3,810,221	\$ 4,309,511	\$ 4,504,509	\$ 4,064,382	\$ 3,755,115	\$ 3,453,601
Total Expenses	\$ 40,447,474	\$ 38,636,795	\$ 29,409,891	\$ 22,011,672	\$ 30,881,541	\$ 32,129,158	\$ 28,310,369	\$ 27,038,651	\$ 23,989,988	\$ 21,940,995

Total Expenses



Fringe Benefits



Total Wages



EXPENSES BY OBJECT- LAST TEN YEARS
(UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Wages	\$ 12,006,588	\$ 12,137,871	\$ 10,788,530	\$ 9,014,151	\$ 8,942,812	\$ 9,135,839	\$ 8,320,070	\$ 7,922,433	\$ 7,601,170	\$ 7,142,492
Benefits	\$ 12,245,499	\$ 10,509,763	\$ 4,685,862	\$ 959,421	\$ 10,732,287	\$ 11,583,533	\$ 9,035,782	\$ 8,672,802	\$ 6,783,211	\$ 5,858,125
Services	\$ 3,271,797	\$ 2,359,399	\$ 2,398,604	\$ 1,902,397	\$ 1,604,585	\$ 1,680,512	\$ 1,483,953	\$ 1,454,817	\$ 1,313,963	\$ 1,375,355
Supplies	\$ 4,253,017	\$ 4,582,034	\$ 4,015,007	\$ 3,410,280	\$ 2,752,416	\$ 3,068,970	\$ 3,150,209	\$ 2,823,060	\$ 2,396,210	\$ 2,936,442
Utilities	\$ 659,468	\$ 666,435	\$ 608,718	\$ 501,086	\$ 473,665	\$ 544,078	\$ 532,743	\$ 453,531	\$ 415,293	\$ 414,994
Casualty & Liability	\$ 802,982	\$ 721,246	\$ 737,996	\$ 560,386	\$ 570,203	\$ 710,429	\$ 539,302	\$ 498,287	\$ 683,314	\$ 476,012
Depreciation	\$ 6,764,488	\$ 5,713,387	\$ 5,205,257	\$ 4,377,651	\$ 3,810,221	\$ 4,309,511	\$ 4,504,509	\$ 4,064,382	\$ 3,755,115	\$ 3,453,601
Miscellaneous Expense	\$ 443,635	\$ 1,946,660	\$ 969,917	\$ 1,286,300	\$ 1,995,352	\$ 1,096,286	\$ 743,801	\$ 1,149,339	\$ 1,041,712	\$ 283,974
Total Expenses	\$ 40,447,474	\$ 38,636,795	\$ 29,409,891	\$ 22,011,672	\$ 30,881,541	\$ 32,129,158	\$ 28,310,369	\$ 27,038,651	\$ 23,989,988	\$ 21,940,995

Depreciation totals are in the total expenses

**Later years reflect rising insurance & fuel costs.

STARK AREA REGIONAL TRANSIT AUTHORITY
CAPITAL ASSETS STATISTICS
LAST TEN YEARS
(Unaudited)

Table 9

Capital Assets Inventory	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue Vehicle Inventory										
Heavy Duty Vehicles	45	46	46	47	47	47	47	50	52	38
Light Duty Vehicles	47	58	74	50	53	53	53	52	42	42
Total Revenue Vehicle Inventory	92	104	120	97	100	100	100	102	94	80
Administration/Maintenance Buildings	1	1	1	1	1	1	1	1	1	1
Transit Stations	4	4	4	4	4	4	4	4	4	4

Data compiled from SARTA Inventory count



Debt Capacity Information 2024

(Unaudited)

➤ Table 10 – Debt Service

This schedule shows the Authority's specific debt service information, which gives the reader the ability to see the total amount of money that may be required to cover the repayment on a debt for a specified period.

STARK AREA REGIONAL TRANSIT AUTHORITY
DEBT SERVICE
LAST TEN YEARS
(Unaudited)

Table 10

YEAR	REVENUES (1)	EXPENSES (2)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	DEBT	COVERAGE
2024	\$ 46,535,081	\$ 33,879,101	\$ 12,655,980				
2023	\$ 42,678,300	\$ 33,114,205	\$ 9,564,095				
2022	\$ 41,108,458	\$ 24,765,015	\$ 16,343,443				
2021	\$ 28,300,035	\$ 19,464,869	\$ 8,835,166				
2020	\$ 33,219,519	\$ 27,223,564	\$ 5,995,955				
2019	\$ 28,384,625	\$ 27,971,527	\$ 413,098				
2018	\$ 24,898,920	\$ 23,955,387	\$ 943,533				
2017	\$ 25,416,575	\$ 23,122,902	\$ 2,293,673				
2016	\$ 37,590,436	\$ 20,382,997	\$ 17,207,439				
2015	\$ 23,882,164	\$ 18,691,387	\$ 5,190,777				

(1) Gross revenues include interest, planning grants, special fares assistance, local grants, gain on disposal of capital assets, and other non-operating revenues.

(2) Total expenses exclusive of depreciation and inclusive of loss on disposal of assets and sales tax administrative charge.



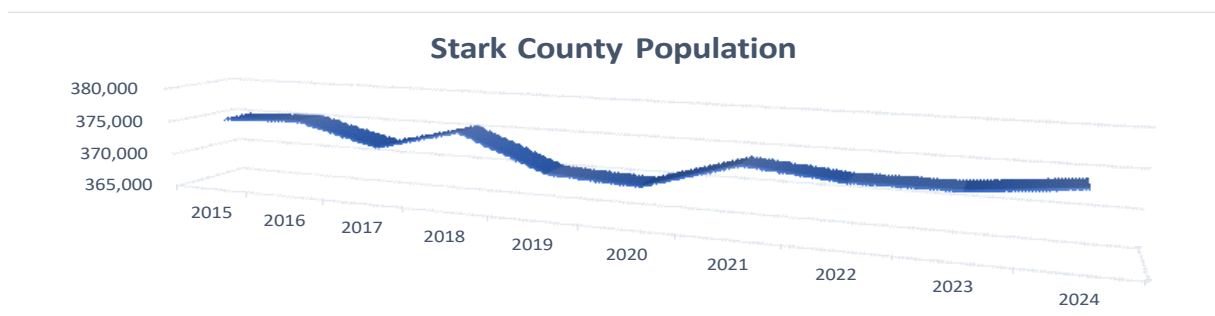
Economic & Demographic Information 2024

The Economic & Demographic Section includes the Economic Condition and Outlook for Stark County, selected Stark County Demographics, and a list of Major Employers in the county.

STARK AREA REGIONAL TRANSIT AUTHORITY ECONOMIC CONDITION AND OUTLOOK LAST TEN YEARS

Stark County, Ohio covers an area of 581 square miles. The Authority's service area is within the boundaries of Stark County, Ohio. The County consists of eighteen municipalities (cities and villages) and seventeen townships. The seat of the county government is the City of Canton.

Stark County Population									
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
375,165	375,586	372,542	375,586	370,606	369,964	373,834	372,657	372,716	374,091



Ten years ago, manufacturing jobs drove the economy in Stark County. During the past ten years, Stark County has transitioned from a manufacturing base to a health, education, and social services-based economy. According to estimates from the U.S. Bureau of Labor Statistics, manufacturing jobs declined by nearly a third from 2003 to 2012. Business is moving forward into the new economy with a focus on companies in advanced manufacturing and new emerging technologies such as fuel cells, wind energy and oil shale exploration and development. In addition, the number and variety of national and international companies, such as Timken and Diebold, with facilities in Stark County is also a testimony to the growing strength of the area's business environment.

The Stark County unemployment rate for 2024 was 4.6⁴% compared with the national average of 3.8%.

⁴ Source: https://ohiolmi.com/Home/DS_Results_LAUS

STARK AREA REGIONAL TRANSIT AUTHORITY
City of Canton Principal Employers
PRIOR YEAR AND NINE YEARS AGO

2023			
Employers	Nature of Activity	Employees	Percentage of Total City Employees
Aultman Hospital	Health Service	4,426	6.39%
Cleveland Clinic Mercy	Health Service	2,878	4.15%
Amazon Fulfillment Center	Shipping Warehouse	2,575	3.72%
Canton City Schools	Education	2,197	3.17%
Stark County	Government	2,136	3.08%
Metallus Inc.	Steel	1,850	2.67%
Fresh Mark Inc	Meat Processing	1,697	2.45%
City of Canton	Municipal Government	934	1.35%
MK Morse Co.	Saw Blades & Accessories	510	0.74%
Hendrickson USA	Heavy Duty Suspensions	391	0.56%
Total		19,594	28.28%
Estimated Total Employment within the City		69,278	

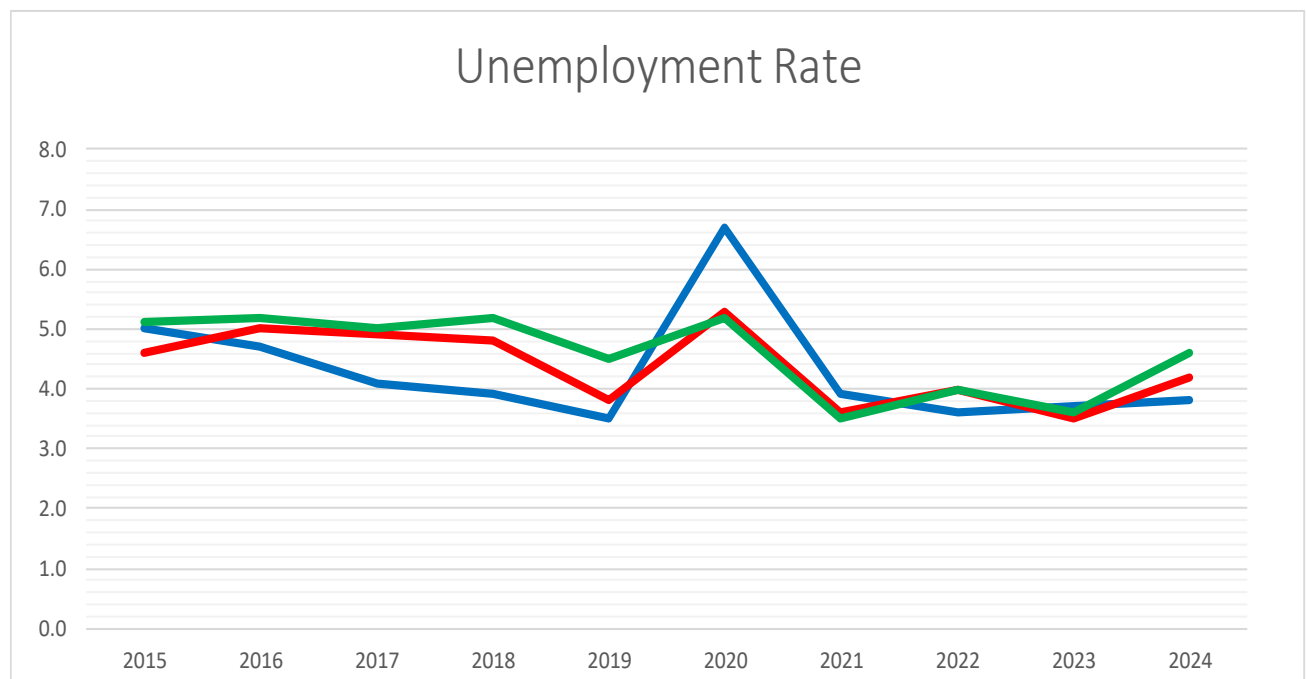
2014			
Employers	Nature of Activity	Employees	Percentage of Total City Employment
Aultman Hospital	Health Service	4,982	16.34%
The Timken Co.	Tapered Roller Bearings and Steel	2,469	8.10%
Mercy Medical Center	Health Service	2,395	7.86%
Canton City School District	Education	1,983	6.50%
Stark County	County Government	1,843	6.05%
City of Canton	Municipal Government	990	3.25%
Nationwide Insurance	Insurance Provider	755	2.48%
Fresh Mark Inc.	Meat Processing	700	2.30%
United States Postal Service	Federal Government	638	2.09%
Republic Engineered Steels, Inc.	Hot-Rolled and Cold Finished Steel Bars and Specialty Steels	519	1.70%
Total		17,274	56.67%
Estimated Total Employment within the City		30,487	

Source: [Archive Center • Annual Comprehensive Financial Report \(ACFR \(cantonohio.gov\)\)](#)

STARK AREA REGIONAL TRANSIT AUTHORITY
 Stark County Demographics
 2023 Community Survey
 US Census-Bureau/ American Fact Finder

Unemployment Rate

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
US	5.0	4.7	4.1	3.9	3.5	6.7	3.9	3.6	3.7	3.8
Ohio	4.6	5.0	4.9	4.8	3.8	5.3	3.6	4.0	3.5	4.2
Stark	5.1	5.2	5.0	5.2	4.5	5.2	3.5	4.0	3.6	4.6

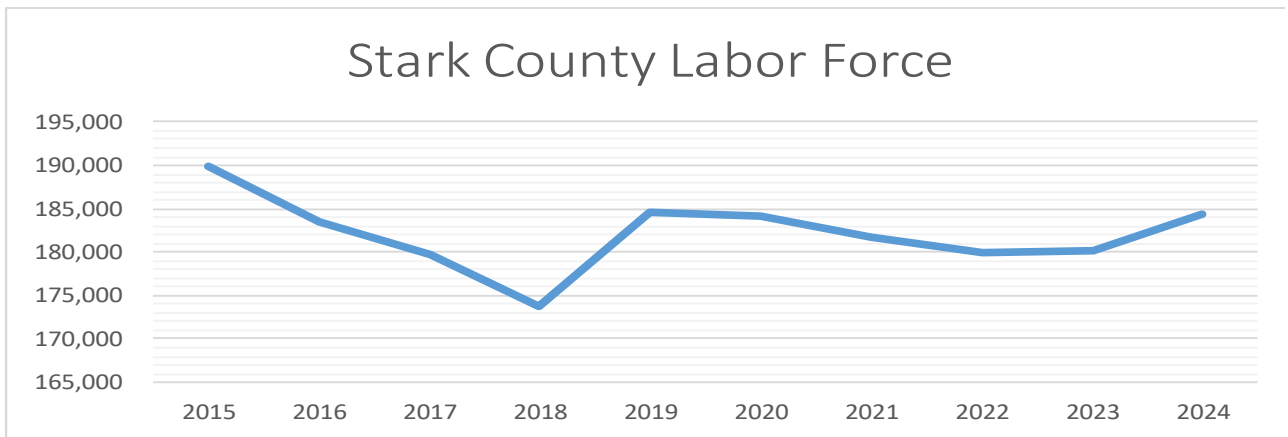


Source: http://ohiolmi.com/Home/DS_Results_LAUS

STARK AREA REGIONAL TRANSIT AUTHORITY
Stark County Demographics
2023 Community Survey
US Census-Bureau/ American Fact Finder

Stark County Labor Force

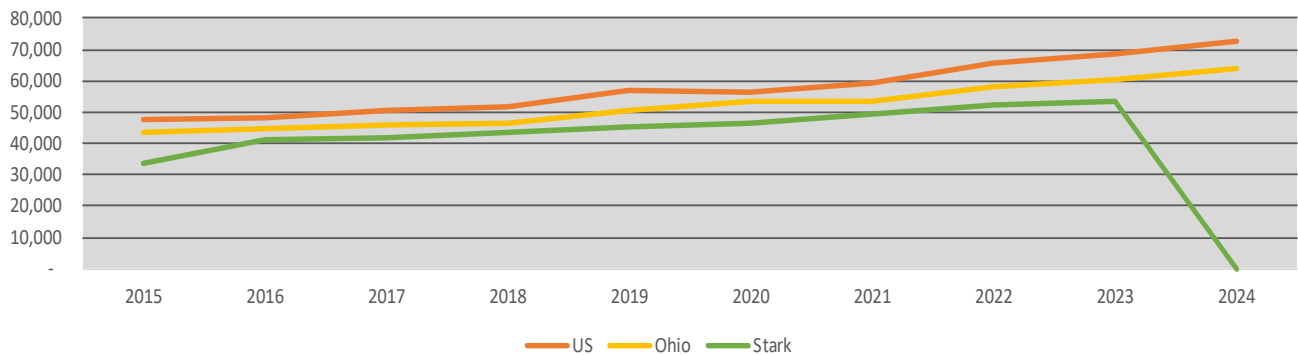
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Stark	189,900	183,500	179,626	173,722	184,552	184,149	181,744	180,041	180,235	184,281



Source: <https://fred.stlouisfed.org/series/OHSTAR1LFN>

STARK AREA REGIONAL TRANSIT AUTHORITY
 Stark County Demographics
 2023 Community Survey
 US Census-Bureau/ American Fact Finder

Per Capita Personal Income



Per Capita Personal Income

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
US	47,669	48,111	50,392	51,640	56,663	56,490	59,510	65,423	68,531	72,425
Ohio	43,478	44,876	45,615	46,732	50,546	53,296	53,641	57,880	60,402	64,225
Stark	33,488	41,026	41,741	43,293	45,136	46,441	49,592	52,426	53,588	*****

Source (US): [BEA: BEARFACTS](#)

Source (State): [BEA: BEARFACTS](#)

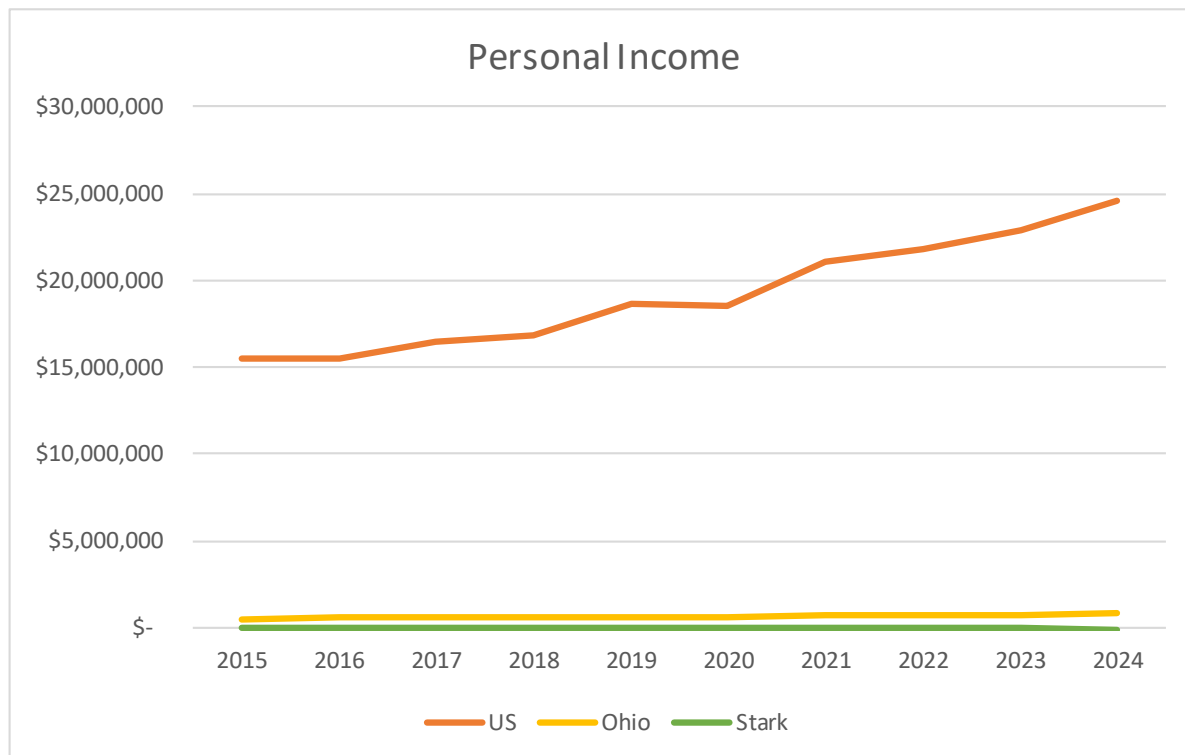
Source (County): [BEA: BEARFACTS](#)

[Release Schedule](#) | [U.S. Bureau of Economic Analysis \(BEA\)](#)

*****According to the BEA Release Schedule, 2024 personal income by county is not available until December 3, 2025.

STARK AREA REGIONAL TRANSIT AUTHORITY
Stark County Demographics
2023 Community Survey
US Census-Bureau/ American Fact Finder

Personal Income in Millions of Dollars										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
US	\$ 15,551,891	\$ 15,463,981	\$ 16,413,550	\$ 16,820,250	\$ 18,599,062	\$ 18,542,262	\$ 21,092,760	\$ 21,804,788	\$ 22,952,028	\$ 24,632,680
Ohio	\$ 501,642	\$ 521,208	\$ 531,810	\$ 544,828	\$ 590,838	\$ 623,207	\$ 665,374	\$ 680,435	\$ 711,895	\$ 763,207
Stark	\$ 14,565	\$ 15,408	\$ 15,594	\$ 16,128	\$ 16,771	\$ 17,211	\$ 18,337	\$ 19,598	\$ 19,970	*****



Source (State): [BEA Interactive Data Application](#)

Source (USA): [BEA Interactive Data Application](#)

Source (Stark): [Personal Income in Stark County, OH | ALFRED | St. Louis Fed \(stlouisfed.org\)](#)
[Release Schedule | U.S. Bureau of Economic Analysis \(BEA\)](#)

*****According to the BEA Release Schedule, 2024 personal income by county is not available until December 3, 2025.

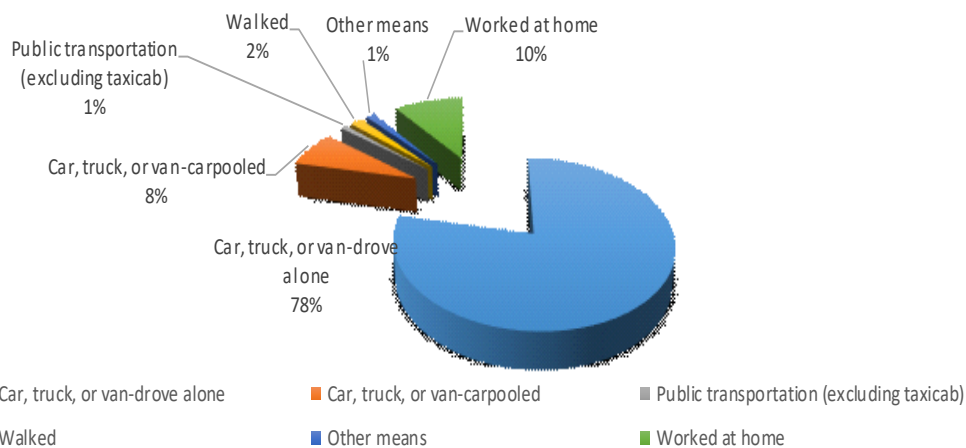
STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY DEMOGRAPHICS
2023 Community Survey
US Census Bureau/ American Fact Finder

Communting to Work

Workers 16 Years and Over

	Number	Percent
Workers 16 Years and Over	178,518	100%
Car, truck, or van-drove alone	140,056	78.4%
Car, truck, or van-carpooled	13,503	7.6%
Public transportation (excluding taxicab)	1,560	0.9%
Walked	3,200	1.8%
Other means	2,331	1.3%
Worked at home	17,868	10.0%
Mean travel time to work (minutes)	22.5	

Communting to Work



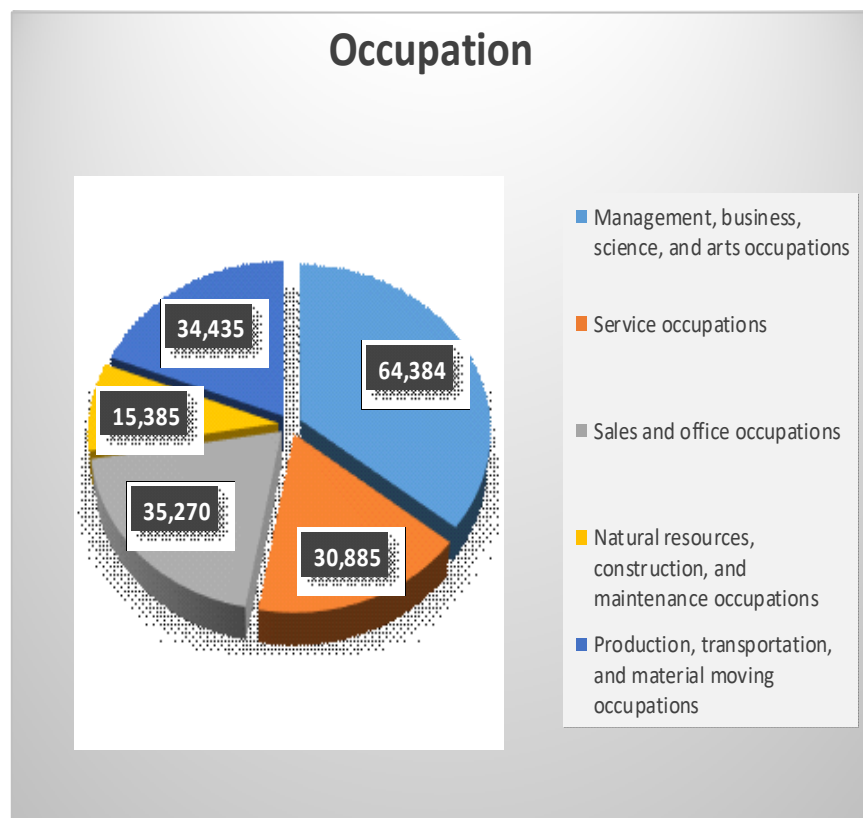
Source: [B08134: MEANS OF TRANSPORTATION TO ... - Census Bureau Table](#)

Source: [S0802: Means of Transportation to ... - Census Bureau Table](#)

Source: [S0801: Commuting Characteristics ... - Census Bureau Table](#)

STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY DEMOGRAPHICS
2023 Community Survey
US Census Bureau/ American Fact Finder

Employed Civilian Population 16 Years and Over	180,359	100%
Management, business, science, and arts occupations	64,384	35.70%
Service occupations	30,885	17.12%
Sales and office occupations	35,270	19.56%
Natural resources, construction, and maintenance occupations	15,385	8.53%
Production, transportation, and material moving occupations	34,435	19.09%



Source: [Occupations in Stark county ohio - Census Bureau Tables](#)

STARK AREA REGIONAL TRANSIT AUTHORITY

STARK COUNTY DEMOGRAPHICS

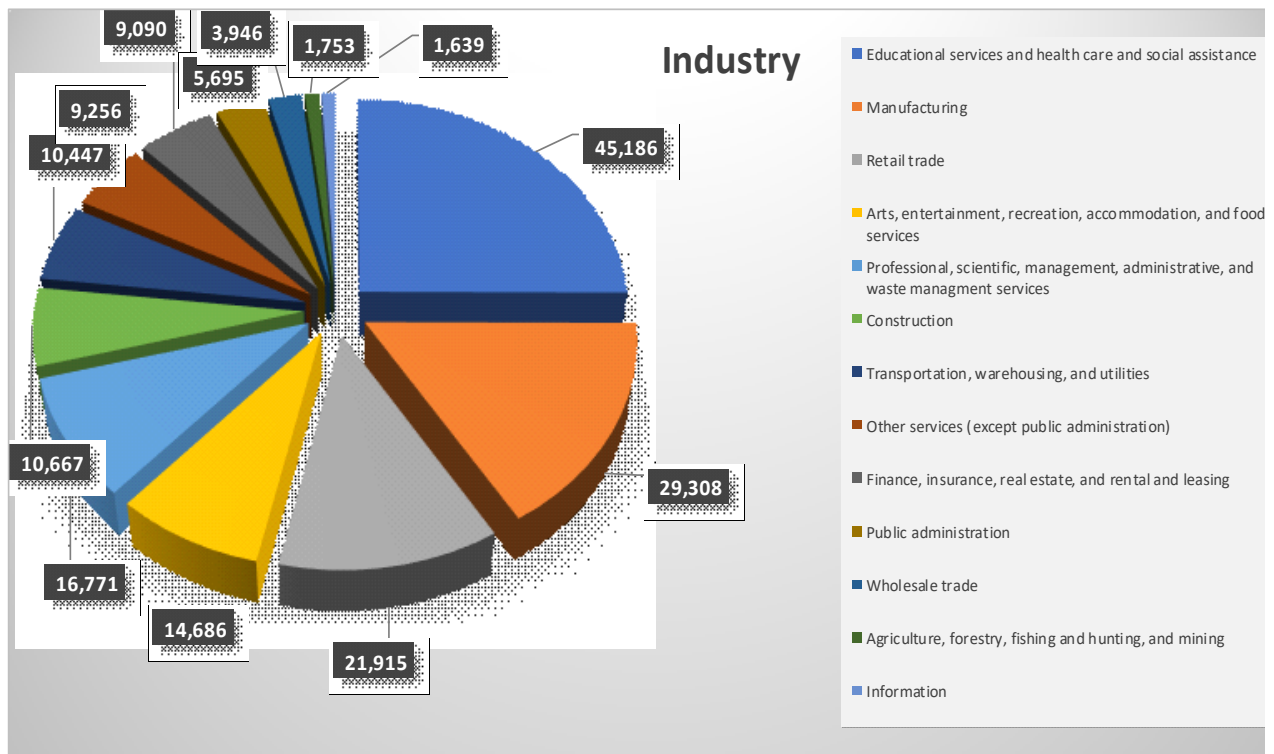
2023 Community Survey

US Census Bureau/ American Fact Finder

Industry

Employed Civilian Population 16 Years and Over

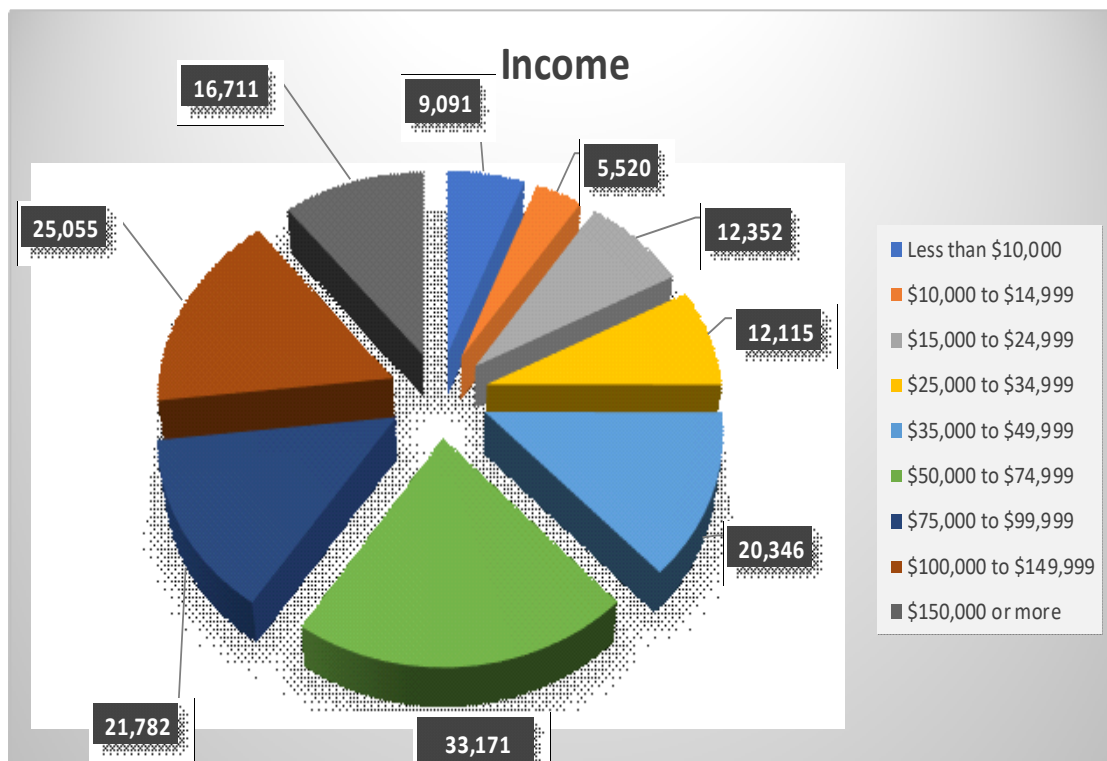
	Number	Percent
	180,359	100%
Educational services and health care and social assistance	45,186	25.10%
Manufacturing	29,308	16.25%
Retail trade	21,915	12.15%
Arts, entertainment, recreation, accommodation, and food services	14,686	8.14%
Professional, scientific, management, administrative, and waste management services	16,771	9.30%
Construction	10,667	5.91%
Transportation, warehousing, and utilities	10,447	5.79%
Other services (except public administration)	9,256	5.13%
Finance, insurance, real estate, and rental and leasing	9,090	5.04%
Public administration	5,695	3.16%
Wholesale trade	3,946	2.19%
Agriculture, forestry, fishing and hunting, and mining	1,753	0.97%
Information	1,639	0.91%



Source: [S2405: Industry by Occupation for ... - Census Bureau Table](#)

STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY DEMOGRAPHICS
2023 Community Survey
US Census Bureau/ American Fact Finder

Income			
Households		Number	Percent
		156,143	100%
Less than \$10,000		9,091	5.82%
\$10,000 to \$14,999		5,520	3.54%
\$15,000 to \$24,999		12,352	7.91%
\$25,000 to \$34,999		12,115	7.76%
\$35,000 to \$49,999		20,346	13.03%
\$50,000 to \$74,999		33,171	21.24%
\$75,000 to \$99,999		21,782	13.95%
\$100,000 to \$149,999		25,055	16.05%
\$150,000 or more		16,711	10.70%
Median household income (dollars)		63,145	



Source: [S2503: Financial Characteristics - Census Bureau Table](#)

OHIO AUDITOR OF STATE KEITH FABER



STARK AREA REGIONAL TRANSIT AUTHORITY

STARK 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 9/16/2025

65 East State 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