OHIO AUDITOR OF STATE
KEITH FABER

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY
DECEMBER 31, 2023

TABLE OF CONTENTS

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Butler County Regional Transit Authority
Butler County
3045 Moser Court
Hamilton, Ohio 45011

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Butler County Regional Transit Authority, Butler County, Ohio (Authority), as of and for the years ended December 31, 2023 and 2022, 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, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Butler County Regional Transit Authority, Butler County, Ohio as of December 31, 2023 and 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024, 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
Auditor of State
Columbus, Ohio
September 20, 2024

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

As management of the Butler County Regional Transit Authority, Butler County, Ohio (BCRTA, the Authority), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023, and 2022. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Financial Highlights for 2023

During 2023, the Authority adopted GASB Statement 96, "Subscription-Based Information Technology Arrangements" (SBITAs). This Statement addresses accounting and financial reporting for SBITAs, a type of information technology (IT) arrangement (i.e. software licensing). A SBITA, establishes a right-to-use subscription asset (intangible asset) and requires the recognition of the asset and a corresponding subscription liability, including the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

As a result of the implementation of GASB 96, the net position reported at December 31, 2022 changed from $12,957,077 to $12,902,578.

The Authority has a net position of $13.62 million. This net position results from the difference between total assets and deferred outflows of resources related to Pensions and Postemployment Benefits Other Than Pensions (OPEB) of $21.65 million and total liabilities and deferred inflows of resources related to Pensions and OPEB of $8.03 million.

Current assets of $10.67 million primarily consist of non-restricted Cash and Cash Equivalents of $8.08 million; Intergovernmental/Accounts Receivable of $2.17 million; and prepaids, bid deposits, and inventory of $0.43 million. Cash and Cash Equivalents of $8.08 million included $5.03 million invested in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Current liabilities of $0.99 million primarily consist of Accounts Payable, Accrued Wages and related Payroll Accruals.

Financial Highlights for 2022

As a result of the implementation of GASB 96, the net position of The Authority changed from $12.96 million to $12.90. This net position resulted from the difference between total assets and deferred outflows of resources related to Pensions and Postemployment Benefits Other Than Pensions (OPEB) of $19.07 million and total liabilities and deferred inflows of resources related to Pensions and OPEB of $6.16 million.

Current assets of $8.67 million primarily consisted of non-restricted Cash and Cash Equivalents of $6.98 million; Intergovernmental/Accounts Receivable of $1.38 million; and prepaids, bid deposits, and inventory of $0.30 million. Cash and Cash Equivalents of $6.98 million included $4.77 million invested in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Current liabilities of $1.15 million primarily consisted of Accounts Payable, Accrued Wages and related Payroll Accruals.

Basic Financial Statements and Presentation

The financial statements presented by the Authority are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority is structured as a single enterprise fund with revenues recognized when earned and measurable, not when received. Expenses are recognized when they are incurred, not when paid. Capital assets are capitalized and depreciated, except land, over their estimated useful lives.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the year. This statement summarizes operating revenues and expenses along with non-operating revenues and expenses. In addition, this statement lists capital grant revenues received from federal, state, and local governments.

The Statement of Cash Flows allows financial statement users to assess the Authority's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into three categories: 1) Cash flows from operating activities, 2) Cash flows from non-capital financing activities, and 3) Cash flows from capital and related financing activities.

Notes to the Financial Statements

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

Net Position

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

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

	2023	2022 *	2021
Current Assets	$10,674,993	$8,656,390	$6,269,457
Net Pension Asset	23,736	36,315	37,624
Net OPEB Asset	0	643,940	347,230
Capital Assets (Net of Accumulated Depreciation)	7,561,979	8,747,070	8,458,366
Deferred Outflows of Resources-Pensions	2,958,556	955,863	513,337
Deferred Outflows of Resources-OPEB	434,010	27,430	228,073
Total Assets & Deferred Outflows	21,653,274	19,067,008	15,854,087
Current Liabilities	986,784	1,150,632	802,454
Subscription Liability	311,829	354,857	0
Net Pension Liability	6,546,369	1,769,488	2,837,919
Net OPEB Liability	140,871	0	0
Deferred Inflows of Resources-Pensions	5,553	2,194,572	1,354,577
Deferred Inflows of Resources-OPEB	46,460	694,881	1,137,453
Total Liabilities & Deferred Inflows	8,037,866	6,164,430	6,132,403

Net Position			
Invested in Capital Assets	7,561,979	8,747,070	8,458,366
Unrestricted	6,053,429	4,155,509	1,263,317
Total Net Position	$13,615,408	$12,902,578	$9,721,684

* As restated due to implementation of GASB 96

During fiscal year 2023, the Authority's current assets increased as we received federal funds and state funds for general operating, and technology equipment replacement. Current assets also include $5.03 million invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Capital assets decreased due to purchases of replacement technology equipment being exceeded by accumulated depreciation and disposals.

During fiscal year 2022, the Authority's current assets increased as we received federal funds and state funds for general operating, and technology equipment replacement. Current assets also included $4.77 million invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 Certain External Investment Pools and Pool Participants. Capital assets decreased due to purchases of replacement technology equipment being exceeded by accumulated depreciation and disposals.

Statement of Revenues, Expenses and Changes in Net Position

Table 2 reflects the changes in net position:

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

Revenues:	**2023**	**2022 ***	**2021**
Passenger Fares	$301,973	$184,466	$228,138
State Operating Funds	270,960	158,408	153,938
Federal Operating Funds	5,720,314	5,371,354	2,724,537
Intergovernmental Funding	4,377,182	4,156,082	4,553,901
Gain on Sale of Assets	2,015	171	6,300
Federal Capital Funds	240,457	916,840	927,757
State Capital Funds	64,017	383,842	373,942
Sale of Non-Transportation Service	137,357	183,960	245,280
Other Income	262,267	100,035	380,535
Total Revenues	11,376,542	11,455,158	9,594,328
Expenses:			
Operating Expenses Net of Depreciation	8,630,846	7,997,952	6,249,098
Depreciation Expense	1,705,308	1,484,605	1,554,827
Net Pension and OPEB Expense	327,558	(1,208,292)	(2,358,690)
Total Expenses	10,663,712	8,274,265	5,445,235
Increase in Net Position During the Year	712,830	3,180,894	4,149,093

Net Position, Beginning of Year	12,902,578	9,721,684	5,572,591
Net Position, End of Year	$13,615,408	$12,902,578	$9,721,684

* As restated due to implementation of GASB 96

Financial Operating Results

Revenues - For purposes of this presentation, the Authority groups its Revenues into the following categories:

Operating Revenues

- **Passenger Fares – Demand Response/Contracts** – Fares paid by the public to ride the public bus service and public/contract fares paid by agencies on behalf of the rider.

- **State Operating Funds –** BCRTA receives State of Ohio Urban Transit Program (UTP) formula funds and Ohio Transit Partnership Program funds (OTP2) from Ohio's General Revenue Funds. In 2022, the Authority also received Rides to Community Immunity (RCI) funds.

- **Federal Operating Funds –** BCRTA receives Federal Transit Administration (FTA) general operating funds as part of our 5307 allocations, CARES Act funding, ARPA funding, CRSSA funding and funds from competitive grant programs.

- **Intergovernmental Funding Agreements** – BCRTA has an agreement with Southwest Ohio Regional Transit Authority (SORTA), who operates park-n-ride express service from Butler County to Downtown Cincinnati. The agreement divides a portion of Urbanized Federal Funds which are allocated to the Authority, to SORTA to operate this service. As a result of the pandemic, service provided by SORTA was suspended in early June 2020, and resumed in March 2021, reducing the funds allocated in 2021. The funds reported are the "gross" funds allocated to the Authority.

  During 2009, the Authority entered into a service agreement with the City of Middletown to operate a shuttle between Hamilton and Middletown. Another shuttle was added during 2010, between Oxford and Middletown, and another between Oxford and Hamilton was added in 2012. The service agreement was then extended to the Tri-County shuttle in 2015.

  At the end of January 2022, the shuttle between Oxford and Middletown was suspended due to low ridership during and following the pandemic. The route will remain suspended until ridership demand necessitates its return.

  Also, in 2013, BCRTA entered into an agreement with Miami University to provide public transit services in the city of Oxford for a 10-year term. In 2023, BCRTA renewed the agreement for another 10-year term.

  BCRTA maintains contracts with the Butler County Veterans Service Commission and Butler County Board of Development Disabilities for the transportation of veterans and disabled residents.

Non-Operating Revenues

- **Gain/Loss on Sale of Assets** – Sale of surplus vehicles, property, and equipment.

- **Federal/State Capital Funds** – FTA and State funds for the purchase of capital assets.

- **Sale of Non-Transportation Services** – Funds received for management services provided to the city of Middletown Transit, as well as maintenance services for updates to the Middletown Transit Station.
- **Other Income** – Miscellaneous refunds, Bureau of Workers' Comp refunds, credits, and interest income.

Operating Expenses - For purposes of this presentation, the Authority groups its Operating Expenses into the following categories:

Labor and Fringe Benefits - These personnel costs accounted for approximately 71% of the Authority operating expenses (excluding depreciation) in 2023 as compared to 61% in 2022. These costs increase or decrease due to variances in the overall pension expense recognized by OPERS as a result of GASB Statement 68, Accounting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

During 2021, BCRTA began offering comprehensive employee benefits to full-time employees through the Health Transit Pool of Ohio including, Life, Short-Term Disability, Vision and Dental through fully insured plans. The medical plan is a fully insured High-Deductible Health plan utilizing United Healthcare. BCRTA funds a portion of the high deductible. In 2023, the benefits accounted for $0.69 million of the reported $2.15 million Fringe Benefit expense.

Net Pension and Other Postemployment Benefits Expense– This category includes pension/OPEB expense (income) recognized by OPERS as a result of GASB Statement 68, Accounting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

On January 15, 2020, the OPERS Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes were effective January 1, 2022 and included changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees.

Contract Services - Items under this category include Attorney, Audit, Transit Management Fees, external vehicle maintenance, facility maintenance, as well as miscellaneous professional services.

Materials and Supplies - These costs which include fuel, vehicle parts, general office supplies, and other miscellaneous supplies, have primarily increased from prior year due to an increase in fuel purchases and fuel costs as we resumed normal service following the pandemic.

Utilities - These costs include natural gas, electric, water, and communication services.

Casualty and Liability - The Authority is a member of the Ohio Transit Risk Pool, which sets premiums based on service factors and claims experience.

Purchased Transportation – This represents the cost of the park-n-ride service operated by SORTA for the Authority and discussed under Intergovernmental Funding in the revenue section. Service provided by SORTA resumed in early March 2021.

Other - This category summarizes various expenses not included in other expense categories. In 2023, Other expense now includes interest expense due to the implementation of GASB 96.

Capital Assets – At the end of fiscal year 2023, the Authority had $7,561,979 invested in land, operating facility, equipment, and vehicles. See Note 7 to the financial statements for additional detail. Table 3 shows fiscal year 2023 balances in comparison to 2022 balances:

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

	2023	2022 *	2021
Non-Depreciable Capital Assets			
Land	$294,000	$294,000	$294,000
Depreciable Capital Assets			
Operating Facility	4,132,430	3,844,087	2,789,357
Vehicles	12,090,246	12,087,369	12,087,369
Equipment & Misc.	2,082,542	2,259,469	2,034,663
Software Subscriptions	554,254	429,416	0
Total Depreciable Capital Assets	18,859,472	18,620,341	16,911,389
Total Cost	19,153,472	18,914,341	17,205,389
Accumulated Depreciation			
Operating Facility	(2,184,667)	(2,049,787)	(1,896,390)
Equipment	(1,095,742)	(889,311)	(773,569)
Vehicles	(8,197,917)	(7,226,218)	(6,077,064)
Software Subscriptions	(113,167)	(1,955)	0
Total Depreciation	(11,591,493)	(10,167,271)	(8,747,023)
Net Value	$7,561,979	$8,747,070	$8,458,366

* As restated due to implementation of GASB 96

Depreciation – This category includes depreciation on all capital assets, except land and work in process, and amortization on the subscription assets.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Chief Financial Officer, Butler County Regional Transit Authority, 3045 Moser Court, Hamilton, Ohio 45011.

Butler County Regional Transit Authority
Statement of Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash, Cash Equivalents, and Investments	$ 8,079,153	$ 6,976,252
Intergovernmental Receivable	2,165,255	1,380,655
Accounts Receivable	3,902	2,893
Bid Deposits	53,024	53,024
Materials & Supplies Inventory	81,308	82,680
Prepaids	292,351	160,888
Total Current Assets	10,674,993	8,656,390
Non-Current Assets:		
Net Pension Asset	23,736	36,315
Net OPEB Asset	-	643,940
Property, Facilities and Equipment		
Land - Non Depreciable	294,000	294,000
Operating Facility	4,132,430	3,844,087
Vehicles & Equipment	12,090,246	12,087,369
Furniture & Equipment	1,932,965	2,109,891
Amenities & Misc.	149,577	149,577
Software Subscriptions	554,254	429,416
Subtotal	19,153,472	18,914,341
Less Accumulated Depreciation	(11,591,493)	(10,167,271)
Total Property, Facility and Equipment (net of accumulated depreciation)	7,561,979	8,747,070
Total Non-Current Assets	7,585,715	9,427,325
Deferred Outflows of Resources - Pensions	2,958,556	955,863
Deferred Outflows of Resources - OPEB	434,010	27,430
Total Assets and Deferred Outflows of Resources	$ 21,653,274	$ 19,067,008
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts Payable	543,329	647,934
Accrued Payroll & Benefits	341,357	363,486
Unearned Funds	102,099	139,212
Total Current Liabilities	986,784	1,150,632
Subscription Liability	311,829	354,857
Net Pension Liability	6,546,369	1,769,488
Net OPEB Liability	140,871	-
Total Liabilities	7,985,853	3,274,977
Deferred Inflows of Resources - Pensions	5,553	2,194,572
Deferred Inflows of Resources - OPEB	46,460	694,881
Net Position		
Invested in Capital Assets	7,561,979	8,747,070
Unrestricted	6,053,429	4,155,509
Total Net Position	13,615,408	12,902,578
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 21,653,274	$ 19,067,008

See Accompanying Notes to the Basic Financial Statements

Butler County Regional Transit Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues		
Passenger Fares - Demand Response, Contracts	$ 301,973	$ 184,466
State Operating Funds	270,960	158,408
Federal Operating Funds	5,720,314	5,371,354
Intergovernmental Funding	4,377,182	4,156,082
Total Operating Revenues	10,670,429	9,870,310
Operating Expenses		
Labor	3,846,637	3,498,734
Fringe Benefits	2,145,653	1,880,275
Net Pension and Other Postemployment Benefits Expense	327,558	(1,208,292)
Contract Services	678,641	701,041
Materials & Supplies	867,440	900,453
Utilities	80,716	83,731
Casualty & Liability Insurance	278,272	272,382
Purchased Transportation	519,744	519,871
Depreciation Expense	1,705,308	1,484,605
Other	213,744	141,465
Total Operating Expenses	10,663,712	8,274,265
Operating Gain (Loss)	6,717	1,596,045
Non-Operating Revenues (Expenses)		
Gain/Loss on Sale of Capital Asset	2,015	171
Federal Capital Funds	240,457	916,840
State Capital Funds	64,017	383,842
Sale of Non-Transportation Services	137,357	183,960
Other Income	262,267	100,035
Total Non-Operating Revenue	706,113	1,584,848
Net Gain (Loss)	712,830	3,180,894
Net Position, Beginning of Year *	12,902,578	9,721,684
Net Position, End of Year	$ 13,615,408	$ 12,902,578

See Accompanying Notes to the Basic Financial Statements
* As restated due to implementation of GASB 96

Butler County Regional Transit Authority
Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Cash Received From Customers	$ 9,884,820	$ 10,441,525
Cash Payments - Suppliers for Goods & Services	(2,778,903)	(2,354,205)
Cash Payments - Employees for Wages & Fringes	(6,014,419)	(5,332,960)
Net Cash Provided (Used) by Operating Activities	1,091,498	2,754,361
Non-Capital Financing Activities		
Bid Deposit Disbursed	-	(53,024)
Non-Transit Funds	399,624	283,995
Prepaids - Other	(121,624)	(5,811)
Net Cash Provided (Used) by Non-Capital Financing Activities	278,000	225,160
Capital and Related Financing Activities		
Improvements to Operating Facility	(288,343)	(1,054,730)
Purchase of Vehicles & Equipment	(88,995)	-
Purchase of Equipment & Furniture	(18,041)	54,619
Purchase of Amenities & Misc.	-	(343,781)
Software Subscriptions	(124,838)	(429,416)
Subscription Liability	(52,867)	354,857
Federal Capital Funds	240,457	916,840
State Capital Funds	64,017	383,842
Proceeds from Disposal of Fixed Asset	2,015	171
Net Cash Provided (Used) by Capital and Related Financing Activities	(266,596)	(117,598)
Net Increase (Decrease) in Cash and Cash Equivalents	1,102,902	2,861,923
Cash and Cash Equivalents at Beginning of Year	6,976,252	4,114,329
Cash and Cash Equivalents at End of Year	$ 8,079,153	$ 6,976,252

Reconciliation of Operating Gain (Loss) to Net Cash Provided (Used) in Operating Activities

	2023	2022
Operating Gain (Loss)	$ 6,717	$ 1,596,045
Adjustments to Reconcile Operating Gain (Loss) to Net Cash Used in Operating Activities		
Depreciation	1,705,308	1,484,605
Changes in Assets & Liabilities:		
Accounts/Intergovernmental Receivables	(785,609)	571,214
Accounts Payable	(104,605)	265,396
Accrued Payroll & Benefits	(22,129)	46,050
Accrued Tickets & Reserves	(37,113)	36,731
Materials & Inventory Supplies	1,372	(37,390)
Net Pension Asset	12,579	1,309
Net Pension Liability	4,776,881	(1,068,431)
Net OPEB Asset	643,940	(296,710)
Net OPEB Liability	140,871	-
Deferred Outflows - Pensions	(2,002,693)	(442,526)
Deferred Outflows - OPEB	(406,580)	200,643
Deferred Inflows - Pensions	(2,189,019)	839,995
Deferred Inflows - OPEB	(648,421)	(442,572)
Net Cash Provided (Used) in Operating Activities	$ 1,091,498	$ 2,754,361

See Accompanying Notes to the Basic Financial Statements

1. DESCRIPTION OF THE AUTHORITY AND REPORTING ENTITY

Description of Authority - The Butler County Regional Transit Authority (BCRTA, the Authority), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. It was created pursuant to Sections 306.30 through 306.71 of the Ohio Revised Code. As a political subdivision, it is distinct from, and is not an agency of, the State of Ohio or any other local governmental unit. The Authority is not subject to federal or state income taxes.

The Authority is directed by a nine-member Board of Trustees appointed by the Board of County Commissioners of Butler County. The Authority is responsible for the safe and efficient operation and maintenance of regional transportation within Butler County.

Reporting Entity - The Authority complies with the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB) regarding the definition of the financial reporting entity. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statement No. 14, the Authority has no component units. The Authority is, however, considered to be a related organization of Butler County by virtue of the fact that BCRTA's Board of Trustees is appointed by the County Commissioners and the County's ability to impose its will on the Authority.

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 other organization accountable for BCRTA. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Authority's basic financial statements consist of a Statement of Net Position, a Statement of Revenue, Expenses and Changes in Net Position, and a Statement of Cash Flows. The Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net income, financial position, and cash flows. All transactions are accounted for in a single enterprise fund.

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

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

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity, at date of purchase, of three months or less, and deposits in the State Treasurer's Asset Reserve investment pool (STAR Ohio) to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value. STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - BCRTA maintains all available funds on deposit with financial institutions with amounts on deposit protected by FDIC coverage or through a public fund depository agreement. The investment policy prohibits any type of investing that would be considered risky. Investments are reported at fair value based on quoted market prices, or net asset value based on quoted market prices, which are reported at amortized cost.

Materials and Supplies Inventory - Materials and supplies in inventory are valued using the cost of the oldest items in inventory first and consist solely of maintenance supplies and repair parts. Fuel is purchased as needed and no inventory is maintained.

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

Property, Facilities and Equipment - Property, facilities and equipment are stated at historical cost. The cost of maintenance and repairs is charged to operations as incurred.

Depreciation/Amortization – Depreciation/Amortization is computed for assets acquired at or above a $5,000 threshold using the straight-line method over the estimated useful lives of the respective assets, as follows:

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

Subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying subscription asset.

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription-Based Information Technology Arrangements (SBITA): In 2023, the Authority adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for SBITAs for government end users (governments). This Statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. As a result of the adoption of this statement on December 31, 2022, the Authority recognized SBITA assets and liabilities of approximately $429,416. Reference Note 7 and 8.

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

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

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

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

Recognition of Revenue and Receivables - The Federal Transit Administration (FTA) and the Ohio Department of Transportation (ODOT) provide financial assistance and make allocations directly to the 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 revenue over the entitlement period. Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as revenue when the expenditure has been made and the revenue is available. Capital grant funds received in advance of project costs being incurred are deferred.

When assets acquired with capital grants funds are disposed of, the Authority is required to notify the granting agency. A proportional amount of the proceeds or fair market value, if any, of such property and equipment may be used to acquire like-kind replacement vehicles or remitted to the granting agency.

Compensated Absences - The Authority offers employees paid time off (PTO). These benefits are accrued as a liability as the benefits are earned if the employee’s right to receive compensation is attributable to services already rendered and it is probable the Authority will compensate employees for the benefits through time off or some other means. An annual accrual for PTO balances at year end is made to the extent that it is probable that benefits will result in future payments.

3. EQUITY IN CASH AND DEPOSITS AND INVESTMENTS

The Authority’s funds are invested in a manner consistent with applicable local, state, and federal laws. Adequate funds are held in cash and deposits to meet short-term and long-term obligations as follows:

3. EQUITY IN CASH AND DEPOSITS AND INVESTMENTS (Continued)

- All agency funds will be kept on deposit with financial institutions that are experienced in handling “public funds”.
- Funds shall be maintained in checking or short-term savings accounts equal to at least an amount to cover ninety days of approved operating/capital expenditures.
- Excess funds will be invested in instruments considered “low risk” such as money market savings accounts (or similar) and certificates of deposit.

At December 31, 2023, and December 31, 2022, the Authority had $1,050 and $1,000 respectively in undeposited cash on hand which is included on the financial statements of the Authority as part of “Cash, Cash Equivalents, and Investments”.

The Authority had bank balance and carrying amount of $3,078,279 and $3,048,667 respectively at December 31, 2023, and $2,276,697 and $2,201,432 respectively at December 31, 2022 with financial institutions authorized to accept public funds. Of the bank balance at December 31, 2023 $250,000 was covered by federal depository insurance and $2,828,279 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Authority’s name. Of the bank balance at December 31, 2022 $250,000 was covered by federal depository insurance and $2,026,697 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Authority’s name.

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

Protection of the Authority’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by the financial institutions’ participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

At December 31, 2023, the Authority had excess funds of $5.03 million invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 Certain External Investment Pools and Pool Participants. BCRTA measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

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

3. EQUITY IN CASH AND DEPOSITS AND INVESTMENTS (Continued)

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

4. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-

4. DEFINED BENEFIT PENSION PLANS (Continued)

directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement 75. See OPERS' ACFR referenced below for additional information.

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

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

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar

4. DEFINED BENEFIT PENSION PLANS (Continued)

year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%. A death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional Pension Plan and Combined Plan. Death benefits are not available to beneficiaries of Member-Directed Plan participants.

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

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

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was $584,493 for 2023.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and expense:

	Traditional Plan	Combined Plan
Proportionate Share of the Net Pension Liability/(Asset)	$6,546,369	($23,736)
Proportion of the Net Pension Liability	0.022161%	0.010071%
Pension Expense	1,145,061	4,590

4. DEFINED BENEFIT PENSION PLANS (Continued)

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

	Traditional Plan	Combined Plan	Total
Deferred Outflows of Resources - Pensions			
Difference between expected and actual experience	$217,443	$1,459	$218,902
Changes in proportion and differences in assumptions	303,283	9,896	313,179
Net difference between projected and actual earning on pension plan investments	1,865,921	8,651	1,874,572
BCRTA contributions subsequent to the measurement date	545,300	6,603	551,903
Total Deferred Outflows of Resources - Pensions	$2,931,947	$26,609	$2,958,556
Deferred Inflows of Resources - Pensions			
Differences between expected and actual experience	$0	$3,392	$3,392
Changes in proportion and differences in assumptions	0	2,161	2,161
Net difference between projected and actual earning on pension plan investments	0	0	0
Total Deferred Inflows of Resources - Pensions	$0	$5,553	$5,553

The reported $551,903 as deferred outflows of resources related to pension resulting from BCRTA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

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

	Traditional Plan	Combined Plan
Year Ending December 31:		
2023	$425,304	$351
2024	498,053	1,591
2025	549,231	2,208
2026	914,058	3,724
2027	0	(10)
Thereafter	0	425
Total	$2,386,646	$8,289

4. DEFINED BENEFIT PENSION PLANS (Continued)

Actuarial Assumptions – Pensions

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

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

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

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

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

4. DEFINED BENEFIT PENSION PLANS (Continued)

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

BCRTA's Net Pension Liability/(Asset) as of December 31, 2022	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Plan	$9,806	$6,546	$3,835
Combined Plan	($12)	($24)	($33)
		(in thousands)	

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Other Investments	7.00	7.64
TOTAL	100.00%	

5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

Net OPEB Liability/Asset

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

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

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

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

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

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

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

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

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

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

	OPERS
Proportion of the Net OPEB Liability Current Measurement Date	0.0223420 %
Proportionate Share of the Net OPEB Liability (Asset)	$140,871
OPEB Expense	($260,878)

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

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

	OPERS
Deferred Outflows of Resources - OPEB	
Difference between expected and actual experience	$0
Changes in assumptions	137,592
Changes in proportion and differences in assumptions	7,331
Net difference between projected and actual earning on pension plan investments	279,775
BCRTA contributions subsequent to the measurement date	9,312
Total Deferred Outflows of Resources - OPEB	$434,010
Deferred Inflows of Resources - OPEB	
Differences between expected and actual experience	$35,139
Changes in proportion and differences in assumptions	11,321
Net difference between projected and actual earning on pension plan investments	0
Total Deferred Inflows of Resources - OPEB	$46,460

The reported $9,312 as deferred outflows of resources related to OPEB resulting from BCRTA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024.

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

	OPEB
Year Ending December 31:	
2023	$46,192
2024	102,317
2025	87,243
2026	135,154
2027	0
Thereafter	0
Total	$370,906

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

Actuarial Assumptions – OPEB

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

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

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2021
Rolled-Forward Measurement Date	December 31, 2022
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Assumptions	
Single Discount Rate	5.22%
Investment Rate of Return	6.00%
Municipal Bond Rate	4.05%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2036

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

For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

Discount Rate - OPEB A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a that the contributions for use with the long-term expected rate are not met).

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

This single discount rate municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 to Changes in the Discount Rate and Health Care Trend Rate The following table presents the net OPEB liability or asset calculated using the single discount rate of 5.2%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

As of December 31, 2022	1% Decrease (4.2%)	Current Discount Rate (5.2%)	1% Increase (6.2%)
BCRTA's Net OPEB Liability (Asset)	$479	$141	($139)
		(in thousands)	

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0% lower or 1.0% higher than the current rate.

As of December 31, 2022	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
BCRTA's Net OPEB Liability (Asset)	$132	$141	$151
		(in thousands)	

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.

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
REITs	7.00	4.70
International Equities	25.00	5.51

Other Investments	8.00	6.21
TOTAL	100.00%	

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

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.

6. RISK MANAGEMENT

The Authority participates in the Ohio Transit Risk Pool Association, (OTRP), related to its risk of property and casualty loss. Under this plan, the Authority receives property and casualty loss coverage in exchange for premiums paid. OTRP retains responsibility for the payment of claims within specified self-insured retention limits prior to the application of coverage provided by excess insurance and reinsurance contracts. Per-occurrence retention for auto physical damage was $250,000 and the per-occurrence retention for commercial property damage was $100,000. OTRP’s per-occurrence retention for liability claims (including auto liability, public officials’ liability, and general liability) was $2,000,000. OTRP’s per-occurrence retention for crime and fidelity coverage was $100,000. OTRP’s per-occurrence retention for boiler and machinery was $50,000. For each per-occurrence claim within OTRP’s self-insured retention, the Authority is charged a deductible. Per occurrence, reinsurance coverage is maintained by OTRP equal to approximately $200,000,000 for qualified property losses and $10,000,000 for qualified casualty losses. Any underfunding of the plans liabilities is shared pro-rata by the members based on pool contribution factors comprised of population, full-time employees, vehicles, property values, budget, claims history times two and net operating expenses.

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.

7. CAPITAL ASSETS – 2023

	January 1, 2023	Additions	Deletions	December 31, 2023
Non-Depreciable Capital Assets				
Land	$294,000	$ -	$ -	$294,000
Depreciable Capital Assets				
Operating Facility	3,844,087	288,343	-	4,132,430
Equipment	2,259,469	18,041	(194,968)	2,082,542
Vehicles	12,087,369	88,995	(86,118)	12,090,246
Software Subscriptions	429,416	124,838	-	554,254
Total Depreciable Capital Assets	18,620,341	520,217	(281,086)	18,859,472
Total Cost	$18,914,341	$520,217	($281,086)	$19,153,472
Accumulated Depreciation				
Operating Facility	(2,049,787)	(134,881)	-	(2,184,667)
Equipment	(889,311)	(403,352)	196,921	(1,095,742)
Vehicles	(7,226,218)	(1,057,817)	86,118	(8,197,917)
Software Subscriptions	(1,955)	(111,212)	-	(113,167)
Total Depreciation	($10,167,271)	($1,707,262)	$283,039	$(11,591,493)
Net Value	$8,747,070	($1,187,045)	$1,953	$7,561,979

	January 1, 2022*	Additions	Deletions	December 31, 2022*
Non-Depreciable Capital Assets				
Land	$294,000	$ -	$ -	$294,000
Depreciable Capital Assets				
Operating Facility	2,789,357	1,054,730	-	3,844,087
Equipment	2,034,663	406,427	(181,621)	2,259,469
Vehicles	12,087,369	-	-	12,087,369
Software Subscriptions	-	429,416	-	429,416
Total Depreciable Capital Assets	16,911,389	1,890,573	(181,621)	18,620,341
Total Cost	$17,205,389	$1,890,573	($181,621)	$18,914,341

Accumulated Depreciation

Operating Facility	(1,896,390)	(153,397)	-	(2,049,787)
Equipment	(773,569)	(180,099)	64,357	(889,311)
Vehicles	(6,077,064)	(1,149,154)	-	(7,226,218)
Software Subscriptions	-	(1,955)	-	(1,955)
Total Depreciation	($8,747,023)	($1,484,605)	$64,357	($10,167,271)
Net Value	$8,458,366	$699,968	($117,264)	$8,747,070

* As restated due to implementation of GASB 96

8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority recognizes an intangible subscription asset and corresponding subscription liability for its subscription-based information technology agreements with others. These arrangements have terms between one and five years requiring monthly, quarterly or annual payments. The expected payments are discounted using the interest rate charged on the arrangement, if available, or are otherwise discounted using the borrowing rate provided by local financial establishments. A summary of changes in the subscription-based information technology agreement liabilities for the year ended December 31, 2023, is as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Current
Subscription-based information technology liabilities	$354,857	72,933	115,961	311,829	$311,829

9. CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2023, the Authority adopted GASB Statement 96, “Subscription-Based Information Technology Arrangements.” GASB 96, establishes accounting and financial reporting standards for subscription-based information technology arrangements (SBITAs) by government entities. It requires governments to recognize a subscription liability and an intangible subscription asset for SBITAs. The standard aims to improve transparency and consistency in reporting such arrangements and takes effect for fiscal years beginning after June 15, 2022. The implementation of this pronouncement had the following effect on net position as reported December 31, 2022 (See Table 2).

Net position December 31, 2022	$12,957,077
Adjustments:	
Subscription Asset (Net of Accumulated Amortization)	427,461
Subscription Liability	(354,857)
Furniture & Equipment	(117,265)
Prepaid Software as a Service (SAAS)	(9,838)
Net position December 31, 2022 Restated	$12,902,578

10. CONTINGENT LIABILITIES

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

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA CONTRIBUTIONS - PENSIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS ENDED DECEMBER 31

	2023	2022	2021	2020	2019
Contractually Required Contribution	$584,493	$520,584	$448,833	$412,417	$431,325
Contributions in Relation to the Contractually Required Contribution	$584,493	$520,584	$448,833	$412,417	$431,325
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
BCRTA Covered-Employee Payroll	$4,311,002	$3,718,582	$3,211,275	$2,996,962	$3,096,071
Contribution as a Percentage of Covered-Employee Payroll	1 4.0%	14.0%	14.0%	13.8%	13.9%

	2018	2017	2016	2015	2014
Contractually Required Contribution	$381,945	$379,837	$366,899	$345,054	$322,316
Contributions in Relation to the Contractually Required Contribution	$381,945	$379,837	$366,899	$345,054	$322,316
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
BCRTA Covered-Employee Payroll	$2,848,966	$2,787,620	$2,710,406	$2,532,610	$2,375,026
Contribution as a Percentage of Covered-Employee Payroll	13.4%	13.6%	13.6%	13.5%	13.6%

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE YEARS ENDED DECEMBER 31 (1)

	2022		2021		2020	
	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan
BCRTA's proportion of the Net Pension Liability/(Asset)	0.0221610%	0.0100710%	0.020338%	0.009217%	0.01916%	0.01303%
BCRTA's Proportionate Share of the Net Pension Liability/(Asset)	$6,546,369	($23,736)	$1,769,488	($36,315)	$2,837,919	($37,624)
BCRTA's Covered-Employee Payroll	$3,718,582	$3,718,582	$3,211,275	$3,211,275	$2,996,962	$2,996,962
BCRTA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	176%	-0.64%	55.10%	-1.13%	94.69%	-1.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	137.14%	92.62%	169.88%	86.88%	157.67%

	2019		2018		2017	
	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan
BCRTA's proportion of the Net Pension Liability/(Asset)	0.02001%	0.01524%	0.018121%	0.012517%	0.017710%	0.009196%
BCRTA's Proportionate Share of the Net Pension Liability/(Asset)	$3,955,112	($31,779)	$4,962,975	($13,997)	$2,778,356	($12,519)
BCRTA's Covered-Employee Payroll	$3,096,071	$3,096,071	$2,848,966	$2,848,966	$2,787,620	$2,787,620
BCRTA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	127.75%	-1.03%	174.20%	-.49%	99.67%	-0.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	145.28%	74.70%	126.64%	84.66%	137.28%

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST NINE YEARS ENDED DECEMBER 31 (1)

	2016		2015		2014	
	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan	Traditional Plan	Combined Plan
BCRTA's proportion of the Net Pension Liability/(Asset)	0.017294%	0.008339%	0.016842%	0.012560%	0.015496%	0.16240%
BCRTA's Proportionate Share of the Net Pension Liability/(Asset)	$4,104,440	($9,965)	$2,922,737	($6.514)	$1,868,991	($6,253)
BCRTA's Covered-Employee Payroll	$2,710,406	$2,710,406	$2,532,610	$2,532,610	$2,375,026	$2,375,026
BCRTA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	151.43%	-0.37%	115.40%	-0.26%	78.69%	-0.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	116.55%	81.08%	116.90%	86.45%	114.83%

(1) Information prior to 2014 is not available.

Amounts presented as of the Authority's measurement date which is the prior year end.

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS ENDED DECEMBER 31 (1)

	2023	2022	2021	2020
Contractually Required Contribution	$9,312	$9,445	$8,493	$7,635
Contributions in Relation to the Contractually Required Contribution	$9,312	$9,445	$8,493	$7,635
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
BCRTA Covered-Employee Payroll	$4,311,002	$3,718,582	$3,211,275	$2,996,962
Contribution as a Percentage of Covered-Employee Payroll	0.22%	0.25%	0.26%	0.25%

	2019	2018	2017	2016
Contractually Required Contribution	$7,905	$9,083	$37,182	59,466
Contributions in Relation to the Contractually Required Contribution	$7,905	$9,083	$37,182	59,466
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
BCRTA Covered-Employee Payroll	$3,096,071	$2,848,966	$2,787,620	$2,710,406
Contribution as a Percentage of Covered-Employee Payroll	0.25%	0.32%	1.33%	2.19%

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA CONTRIBUTIONS - OPEB
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS ENDED DECEMBER 31 (1)

	2015	2014
Contractually Required Contribution	$42,758	$49,162
Contributions in Relation to the Contractually Required Contribution	$42,758	$49,162
Contribution Deficiency (Excess)	$ -	$ -
BCRTA Covered-Employee Payroll	$2,532,610	$2,375,026
Contribution as a Percentage of Covered-Employee Payroll	1.69%	1.69%

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BCRTA'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX YEARS ENDED DECEMBER 31 (1)

	2022	2021	2020	2019
BCRTA's proportion of the Net OPEB Liability	0.022342%	0.020559%	0.01949%	0.020393%
BCRTA's Proportionate Share of the Net OPEB Liability (Asset)	$140,871	($643,940)	($347,230)	$2,816,803
BCRTA's Covered-Employee Payroll	$3,718,582	$3,211,275	$2,996,962	$3,096,071
BCRTA's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	3.79%	-20.05%	-11.59%	90.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

	2018	2017
BCRTA's proportion of the Net OPEB Liability	0.018809%	0.019150%
BCRTA's Proportionate Share of the Net OPEB Liability (Asset)	$2,452,250	$2,079,549
BCRTA's Covered-Employee Payroll	$2,848,966	$2,787,620
BCRTA's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	86.07%	74.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%

(1) Information prior to 2017 is not available.

Amounts presented as of the Authority's measurement date which is the prior year end.

Butler County Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

FEDERAL GRANTOR Program Title	**Federal CFDA Number**	**Grant Number**	**Federal Expenditures**
U.S. Department of Transportation			
Federal Transit Cluster:			
5307 - Urbanized Area Formula Program	20.507	OH-2018-021	1,949
COVID-19 5307 – ARP Act	20.507	OH-2021-037	2,369,576
COVID-19 5307 – CARES Act	20.507	OH-2020-019	2,443,816
COVID-19 5307 – CRSS Act	20.507	OH-2021-038	871,814
5307 - Urbanized Area Formula Program	20.507	OH-2021-056	8,935
5339 - Bus and Bus Facilities Program	20.526	OH-2018-021	41,134
5339 - Bus and Bus Facilities Program	20.526	OH-2021-060	188,439
Total Federal Transit Cluster			5,925,663
Transit Services Program Cluster:			
Individuals with Disabilities Program	20.513	OH-2023-022	35,108
Total Transit Services Program Cluster			35,108
Total U.S. Department of Transportation			5,960,771
Total Expenditures of Federal Awards			**$ 5,960,771**

The accompanying notes are an integral part of this schedule

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

NOTE A – BASIS OF PRESENTATION

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

NOTE C – MATCHING 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.

NOTE D – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE
KEITH FABER

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Columbus, Ohio 43215
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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*

Butler County Regional Transit Authority
Butler County
3045 Moser Court
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the Butler County Regional Transit Authority, Butler County, (the Authority) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 20, 2024.

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 purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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
Auditor of State
Columbus, Ohio
September 20, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Butler County Regional Transit Authority
Butler County
3045 Moser Court
Hamilton, Ohio 45011

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Butler County Regional Transit Authority's (the 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 Butler County Regional Transit Authority's major federal program for the year ended December 31, 2023. Butler County 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, Butler County 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, 2023.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the 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.

Keith Faber
Auditor of State
Columbus, Ohio

September 20, 2024

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BUTLER COUNTY REGIONAL TRANSIT AUTHORITY
BUTLER COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

BUTLER COUNTY REGIONAL TRANSIT AUTHORITY

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 9/26/2024

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