

CENTRAL OHIO TRANSIT AUTHORITY
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



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Central Ohio Transit Authority

Annual Comprehensive Financial Report

For the Fiscal Years Ended December 31, 2023 and 2022

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INTRODUCTION

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2023 TRANSMITTAL *letter*

June 25, 2024

To Members of the COTA Board of Trustees and the Citizens of Central Ohio:

We are pleased to present our **Annual Comprehensive Financial Report** (Financial Report) of the Central Ohio Transit Authority (COTA) for the year ended December 31, 2023. This Financial Report includes financial statements and other financial and statistical data that conform to generally accepted accounting principles (GAAP) in the United States of America and in conformance with standards of financial reporting as established by the Government Finance Officers Association of the United States and Canada (GFOA).

COTA's Finance Division is responsible for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of COTA.

COTA is responsible for establishing and maintaining an internal control structure designed to protect its assets from loss, theft, or misuse. The internal control structure is designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

We believe the data presented is accurate in all material aspects and that all disclosures necessary have been included to enable the reader to acquire the maximum understanding of COTA's financial activity.

The Auditor of the State of Ohio has issued an unmodified ("clean") opinion on COTA's financial statements for the year ended **December 31, 2023**. Based upon the audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that COTA's financial statements for the year ended **December 31, 2023**, are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

COTA also participates in the federal single audit program, which consists of a single audit of all federally funded programs administered by COTA. As a requirement for continued funding eligibility, participation in the single audit program is mandatory for most local governments,

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including COTA. The single audit, performed by the Auditor of the State of Ohio, met the requirements set forth by the State of Ohio, as well as 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).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). ***This Letter of Transmittal*** is designed to complement the MD&A and should be read in conjunction with it. COTA’s MD&A can be found immediately following the Independent Auditor’s Report.

REPORTING ENTITY

General

COTA is an independent political subdivision of the State of Ohio with its own taxing power. It was established by an agreement executed on February 17, 1971, with Franklin County and the cities of Bexley, Columbus, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall, and Worthington. In 2008, an amended agreement added the city of Dublin.

COTA is not dependent upon appropriations from any political subdivision for local funding. It is empowered by Ohio Revised Code to issue general obligation debt secured by its own taxing power.

Governance

COTA is governed by a Board of Trustees vested by Ohio law with the powers necessary to manage COTA. The legislation and agreements establish that COTA provides for a 13-member board serving overlapping three-year terms. Board membership is apportioned as follows:

- City of Columbus, seven members
- Franklin County, two members
- Four members prorated among the 11 municipal corporations including Bexley, Dublin, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington.

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The appointments of the members within the group rotate among the municipal corporations. Members are appointed by the Mayor of the appropriate municipal corporation with the consent of its City Council. The Franklin County Board of Commissioners appoints the Franklin County representatives.

Administration

The President/CEO, who is appointed by the Board, directs the administration of COTA, subject to the policies and supervision of the Board. The President/CEO selects the senior leadership team.

A Table of Organization depicting the key functional responsibilities is shown on **page 11** of the introductory section.

Serving the Community

In 2023, COTA continued to make consistent strides toward improving the accessibility of our mobility solutions. Team COTA tackled our Operator shortage with intensified focus and purpose, adding more new employees than in any year in the past decade. As a direct result of these efforts, we were able to add service for our customers and our community for the first time in three years. Our service enhancements could not have come at a better time, as we also experienced significant, consistent increases in COTA ridership for the first time in three years.

Meanwhile, Team COTA continues to offer innovative solutions to community challenges. We enhanced transit safety while providing compassionate human services. We provided students who go to school at local institutions such as Columbus City Schools (CCS), the Ohio State University and the Columbus College of Art and Design unlimited access to COTA at no cost to them, thanks to COTA's Educational Pass Program. And we made new and continued investments in connecting residents to their jobs through the continuation of the C-pass programs in the Short North and Downtown Columbus.

COTA also proudly launched an outstanding partnership with Columbus Promise, a public-private program that ensures participating CCS students who graduate attend Columbus State Community College at no cost to them. COTA provides unlimited transit access to students participating in the program, keeping them on a pathway to success. This collaboration is a true vision of moving every life forward.

Internally, Team COTA invested in our community through a number of Employee Resource Group (ERG) initiatives, which include:

- Parents Actively Collaborating Together (PACT) promoted an inclusive environment for working parents and family structures through support, education, resources and outreach. The 46-

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member team once again hosted its signature event called Camp COTA, which allowed children of COTA employees a chance to experience a day in the life at COTA and explore future career opportunities.

- **Women For Inspiration, Strength & Excellence (WISE)** leads through an intentional, inclusive and intersectional lens that focuses on career development, wealth building and whole person living for all women across Team COTA. With 65 members, WISE championed a new initiative in 2023, volunteering with Dress for Success and planned COTA's first-ever activities for Breast Cancer Awareness Month in October.
- **Black Employees Leading in Inclusion, Excellence, Vision & Education (BELIEVE)** strives to break down barriers and dissolve systemic issues through advocacy, corporate events, employee activities, networking and community partnerships. In 2023, BELIEVE organized four COTA-led Food Drives, distributing more than 16,500 pounds of produce. It has 120 members.
- **Veterans Employee Resource Group (VERG)**. More than 110 members-strong, the VERG is committed to serving Team COTA and community partners through innovative and diverse programs and activities, including redesigning the bus shelters at the National Veterans Memorial and Museum (NVMM) and the Veterans Administration, flag installations for Memorial Day, and managing the Veterans Honor Wall content refresh.
- **People Respecting Individual Definitions Everywhere (PRIDE)** strives to create and maintain a safe, inclusive, equitable and supportive environment for LGBTQIA+ employees and allies at Team COTA. PRIDE is committed to creating alliances and fostering connections that promote equity and respect for all people. In 2023 PRIDE attended Stonewall Pride Parade with 40+ COTA employees and partners, kicked off Pronouns Initiative, and partnered with Marketing for a Pride Month campaign and a 614 magazine advertisement.

COTA, working in conjunction with TWU Local 208, unveiled an industry-leading Paid Family Leave policy for all part-time and full-time COTA employees. The new policy allows parents and children to recover from childbirth, ease the transition into family life, create strong new bonds and establish new routines as a family without taking on additional financial hardship.

The policy allows birthing parents to receive full pay for 12 weeks, while non-birthing parents, adoptive or foster parents and domestic partners of birthing parents receive full pay for six weeks. Full-time or part-time employees who have worked for COTA for at least six months are eligible for paid family leave.

Through the major LinkUS initiative which is designed to reimagine safe, equitable access to transit and many other mobility option developments continues on the East, West and Northwest high-capacity transit corridors to create better connections to jobs and housing. This vision of this enhanced mobility system includes rapid transit, expanded COTA/Plus on-demand transit zones and infrastructure such as

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bike paths, sidewalks and improved streets across COTA's entire service territory, serving dozens of communities.

ECONOMIC OUTLOOK

The Central Ohio area is set to welcome 726,000 new residents by 2050, growing to a population of 3.15 million. The region's economy, crucial for funding community mobility services and expanding transit to accommodate growth, centers on professional and service sectors like education, healthcare, finance, insurance, banking, and technology. Despite a slowing U.S. economy, Central Ohio's prospects look up due to historical investments in advanced technology and information industries.

Reflecting the regional economy, COTA's sales tax revenue showed modest growth, increasing by 2.2% in 2023 and averaging a 5% annual growth over the past five years. Despite the local economic slowdown, 2024 sales tax receipts remain consistent with the previous year's levels. Ridership continues to rebound with over 1.4 million more trips recorded in comparison to 2022, leading to a 13.7% uptick in passenger revenue. Furthermore, capital grant revenue has surged by over 20% compared to 2022, maintaining healthy reserves for COTA, bolstered by wise investing of cash and reserves benefiting from rising interest rates.

The COTA Board of Trustees and Leadership Team keep a close eye on the local economy's impact on COTA's finances. The 2024 approved budget reflects a balanced approach, setting aside 10% of operating revenue for capital usage. Thanks to the stability of Central Ohio and strong financial management COTA is in a robust position going forward.

FISCAL POLICIES AND PROCEDURES

Internal Control Structure

The management of COTA is responsible for establishing and maintaining an adequate internal control structure. Internal accounting controls are designed to ensure that COTA's assets are protected from loss, theft or misuse and that adequate accounting data are compiled to allow for the preparation of the financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes two things:

- that the cost of the control should not exceed the benefits likely to be derived

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- that the valuation of costs and benefits requires estimates and judgment by management.

We believe COTA's internal control structure ***adequately safeguards assets and provides reasonable assurance*** of proper recording of financial transactions. Because of inherent limitations in any internal control structure, errors or irregularities nevertheless may occur and not be detected. Also, the projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Basis of Accounting

COTA's financial records are maintained on the accrual basis of accounting. The activities are accounted for in a single-enterprise, proprietary-type fund. Additional information on COTA's accounting policies can be found in Note 2 in the Notes to the Financial Statements located on **page 29**.

Budgetary Controls

In addition to internal accounting controls, COTA maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Trustees. This resolution is approved by the Board of Trustees in a public meeting, typically held in the month preceding a new fiscal year. Amendments to the annual appropriations, if needed, are approved by the Board of Trustees in a public meeting(s) throughout the fiscal year. The annual budget is prepared to support projects and initiatives identified as part of COTA's strategic plan.

Management control of the budget is maintained by not permitting total expenditures to exceed total appropriations without the approval of the Board of Trustees. It is the responsibility of each Division to administer its operations in a manner to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees. Financial statements prepared on a budgetary basis, in accordance with generally accepted accounting principles, have been provided on **page 65** to demonstrate budgetary compliance.

OTHER INFORMATION

Use of This Report

This report is published to provide the Board of Trustees, as well as to Central Ohio residents and other interested persons, with detailed information concerning the financial condition of COTA. We believe the information, as presented, is accurate in all material respects; that it is presented in a manner designed to

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fairly set forth the financial activity of COTA; and that all disclosures necessary to enable the reader to gain the maximum understanding of COTA's financial activity have been included. Copies of this report will be available on COTA's website at cota.com.

2023 Awards and Recognition

Achieving organizational excellence is one of COTA's strategic pillars. COTA's focus on solution-oriented thinking resulted in several accolades that speak to our team's innovative approach to mobility, as well as our central focus on equity, diversity, and inclusion (EDI).

The following are a list of accolades received by Team COTA in 2023:

- **Women Who Move the Nation for Joanna M. Pinkerton** – COMTO
- **Power 100** – Joanna M. Pinkerton – Columbus Business First
- **CEO of the Year 2023 Honoree for Joanna M. Pinkerton** – Columbus Business First
- **Parity.org Best Companies for Women to Advance** – Parity.org
- **Parity.org Best Companies for People of Color to Advance** – Parity.org
- **Adwheel Best Workforce Development Marketing Campaign – Recruitment Campaign** – American Public Transportation Association
- **Adwheel Best Marketing & Communications Plan to Support Ridership - On The Line & Rolling Forward Campaigns** - American Public Transportation Association
- **Adwheel Best Marketing & Communications Plan to Support Ridership** – CCS Partnership - American Public Transportation Association
- **Marketing and Creative Award** – The Reggies
- **Smart 50 Awards** – Sophia Mohr
- **Community Impact Award** – Strategic Response Specialists – OPTA
- **Under 40 Rising Star** – Aslyne Rodriguez – OPTA
- **CashVest 90+ Award**
- **Healthy Workplace Award - Gold Level** – Ohio Department of Health
- **Certificate of Achievement for Excellence in Financial Reporting** – Government Finance Officers Association

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to COTA for its Annual Report for the fiscal year ended December 31, 2022. The Certificate of Achievement is the highest form of recognition for excellence in financial reporting. This was the 40th consecutive

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year that COTA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Financial Report. This report must satisfy both GAAP and applicable legal requirements.

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

Acknowledgments

This Annual Comprehensive Financial Report reflects the dedicated efforts of the entire Finance Division, and in particular Joseph Homan, CPA, Director of Accounting. Our sincere appreciation is extended to everyone throughout the organization whose efforts have made this report possible.

Kindest Regards,



Monica Tellez-Fowler
President/CEO



Erin W. Delffs
Chief Financial Officer

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Central Ohio Transit Authority

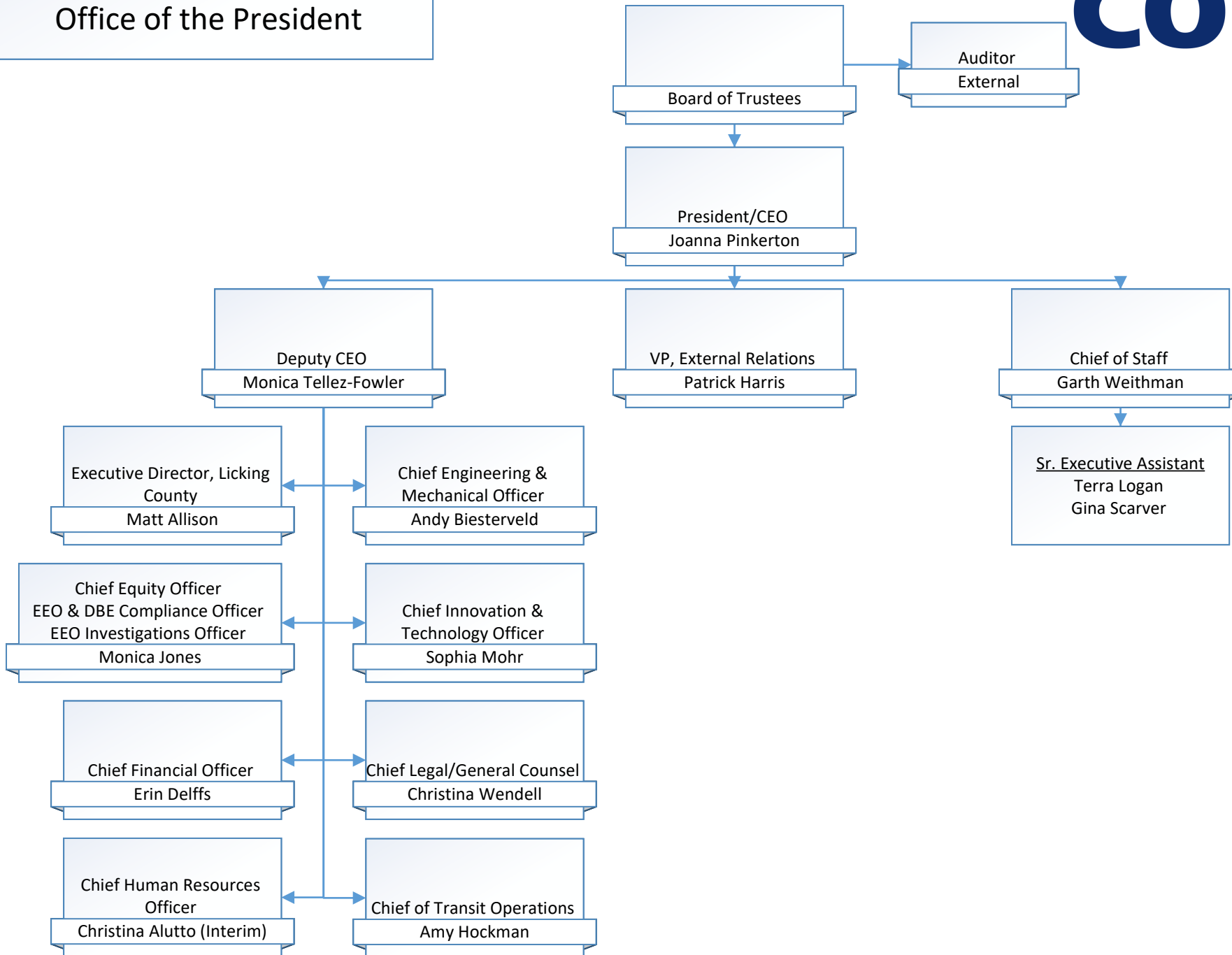
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrill

Executive Director/CEO

COTA
Office of the President





BOARD OF TRUSTEES

As of December 31, 2023

Chair Marlon Moore
Appointed by City of Columbus

Vice Chair Sean Mentel
Appointed by the City of Columbus

Trustee Trudy A. Bartley
Appointed by the City of Columbus

Trustee Julie Colley
Appointed by the City of Westerville

Trustee Lori Elmore
Appointed by the City of Whitehall

Trustee Jennifer Gallagher
Appointed by the City of Columbus

Trustee Doug McCollough
Appointed by the City of Reynoldsburg

Trustee Erika Clark Jones
Appointed by the Franklin County

Trustee Mark Reitter
Appointed by the City of Columbus

Trustee Craig Treneff
Appointed by the Franklin County

Trustee Shannon Tolliver
Appointed by the City of Upper Arlington

Trustee Kumi Walker
Appointed by the City of Columbus

ADMINISTRATION

As of December 31, 2023

President/CEO, Joanna M. Pinkerton

Deputy CEO, Monica Tellez-Fowler

Chief of Staff, Garth Weithman

Chief Marketing & Experience Officer,
Stacey Baer

Chief Engineer & Mechanical Officer, Andy
Biesterveld

Chief Financial Officer, Erin Delffs

Vice President, External Relations, Patrick
Harris

Chief of Transit Operations, Amy Hockman

Chief Equity Officer, Monica Jones

Chief Innovation & Technology Officer,
Sophia Mohr

Chief People Officer, Christina Alutto
(Interim)

Senior Director of Development, Kim Sharp

Chief Legal/General Counsel, Christina
Wendell



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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Central Ohio Transit Authority
Franklin County
33 North High Street
Columbus, Ohio 43215

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Central Ohio Transit Authority, Franklin County, Ohio (the 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 Central Ohio Transit Authority, Franklin 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 *Supplemental Schedule of Revenues, Expenses, and Changes in Net Position – Budget vs. Actual (Modified Cash Basis)* 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 *Supplemental Schedule of Revenues, Expenses, and Changes in Net Position – Budget vs. Actual (Modified Cash Basis)* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 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

June 25, 2024

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CENTRAL OHIO TRANSIT AUTHORITY

Management's Discussion and Analysis

Years Ended December 31, 2023 and 2022

UNAUDITED

As the management of the Central Ohio Transit Authority (the Authority or COTA), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2023. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and identifying any significant changes in financial position. We encourage readers to consider the information presented here, in conjunction with the basic financial statements and notes to the financial statements, which follows this section and provides more specific detail.

Overview of Financial Highlights

- The Authority has a net position of \$595.1 million. Of this amount, \$328.4 million is invested in capital assets, net of accumulated depreciation.
- The Authority experienced a \$19.6 million net position increase in 2023 primarily driven by higher investment income and capital grants.
- Current assets of \$374.2 million consist of cash and cash equivalents of \$291.2 million, receivables of \$58.3 million (sales tax receivables of \$45.6 million, federal capital grant receivable of \$5.3 million, leases receivables of \$3.4 million), inventory of \$5.4 million, Board designated assets of \$17.3 million and prepayments of \$2.6 million.
- Current liabilities of \$22.9 million primarily consist of accrued payroll and fringe benefits of \$11 million, and accounts payable of \$7.7 million.
- The Authority's long-term liabilities amount to \$173.6 million, comprised mainly of a net pension liability of \$137 million and bonds payable totaling \$31.7 million.

Basic Financial Statements and Presentation

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

The Statements of Net Position on page 27 presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these 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.

The Statements of Revenues, Expenses and Changes in Net Position, on page 28, present information showing how the Authority's net position changed during the year. These statements summarize operating revenues and expenses along with non-operating revenues and expenses. In addition, these statements list capital grant revenues received from federal and state/local governments.

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

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 30-60.

CENTRAL OHIO TRANSIT AUTHORITY
Management's Discussion and Analysis
Years Ended December 31, 2023 and 2022
UNAUDITED

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's net pension and OPEB assets/liabilities and required contributions. The required supplementary information can be found on pages 64-74 of this report.

Financial Analysis of the Authority

Condensed Summary of Net Position

The 2022 Statement of Net Position was restated for the implementation of GASB Statement No. 96. The Authority's comparative analysis of the condensed summary of Net Position is as follows:

Description	2023	Restated 2022	2021
Assets			
Current Assets	\$ 356,920,438	\$ 334,772,447	\$ 357,814,495
Board Designated Assets (current)	17,258,067	24,507,853	23,878,518
Total Current Assets	<u>374,178,505</u>	<u>359,280,300</u>	<u>381,693,013</u>
Non-Current Assets	1,446,314	17,340,500	10,487,027
Capital Assets (net of accumulated depreciation/amortization)	355,862,117	318,480,834	290,967,456
Total Non-Current Assets	<u>357,308,431</u>	<u>335,821,334</u>	<u>301,454,483</u>
Total Assets	731,486,936	695,101,634	683,147,496
Deferred Outflows of Resources	<u>66,379,397</u>	<u>20,702,899</u>	<u>23,391,520</u>
Liabilities			
Current Liabilities	22,960,364	22,477,321	22,135,491
Non-Current Other Liabilities	33,593,302	863,006	1,748,653
Net Pension Liability	137,017,062	41,728,185	69,037,032
Net OPEB Liability	2,963,970	-	-
Total Liabilities	<u>196,534,698</u>	<u>65,068,512</u>	<u>92,921,176</u>
Deferred Inflows of Resources	<u>6,260,313</u>	<u>75,302,912</u>	<u>71,834,274</u>
Net Position			
Net Position Investment in Capital Assets	328,482,540	317,728,548	287,349,366
Net Position Restricted	1,167,539	-	-
Net Position Unrestricted	265,421,243	257,704,561	254,434,200
Total Net Position	<u>\$ 595,071,322</u>	<u>\$ 575,433,109</u>	<u>\$ 541,783,566</u>

The net pension liability (NPL) is reported pursuant to GASB 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27" and the Other Postemployment Benefits (OPEB) are reported in accordance with GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". These two standards significantly revised accounting for costs and liabilities related to pension and OPEB plans. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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

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

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Most of the Authority’s Net Position reflects investment in capital assets such as buses, maintenance equipment, and operating facilities. The Authority uses these capital assets to provide public transportation services for Franklin County and portions of the cities of Columbus, Dublin, Reynoldsburg, and Westerville that are located in counties adjacent to Franklin County. The Authority’s net investment in capital assets as of December 31, 2023 amounts to \$328.5 million. The increase in COTA’s net investment in capital assets in 2023 was \$10.8 million.

Major capital asset events during 2023 included the following:

- 22 Battery Electric Buses
- 10 Voyager Vans for COTA Plus
- 18 Paratransit Vans
- 2 Electric Vehicle Chargers at 3 Park and Rides

Contributions to construction in progress including the following projects:

- McKinley Avenue Maintenance and Administration Facility Renovation
- The construction of the Rickenbacker Area Mobility Center.
- The planning and production of the LinkUS Program Plan

Additional information on the Authority’s capital assets can be found in Note 6, in the Notes to the Basic Financial Statements.

The Authority’s current assets at the end of 2023 are composed of cash and cash equivalents (77.82%), receivables (15.59%), inventory (1.44%), and other assets (5.15%), which consist predominately of Board designated cash and prepaid expenses.

In 2023, the Authority’s current liabilities increased \$0.5 million due to timing of accruals. The Authority’s non-current liabilities increased \$130.9 million, primarily due to the increase in net pension liability of \$95.3 million and the issuance of \$30 million in general obligation bonds.

The changes in net pension liability, deferred inflows of resources and deferred outflows of resources related to pension were due to changes at the pension system level for the Ohio Public Employees Retirement System (OPERS). Primarily, net investment income on investments at the pension system were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year’s large positive investment returns.

Expenses by Functional Category

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

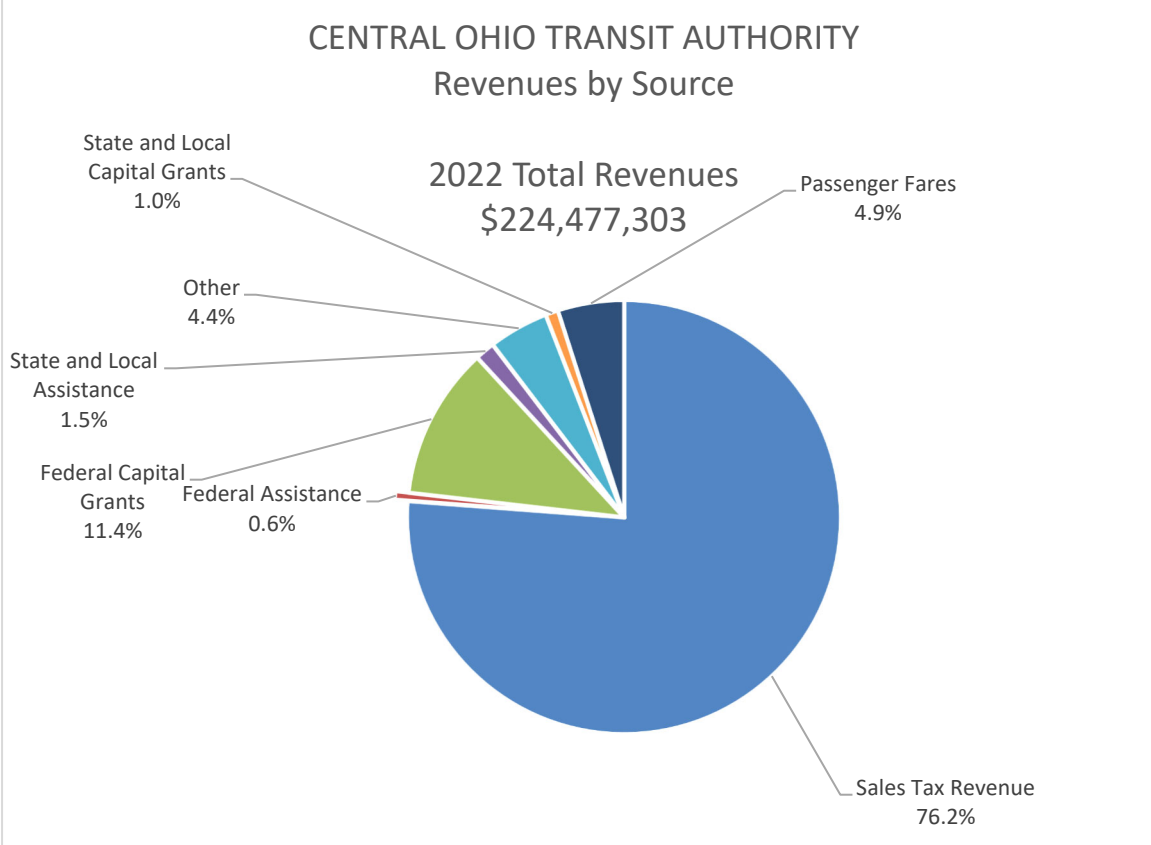
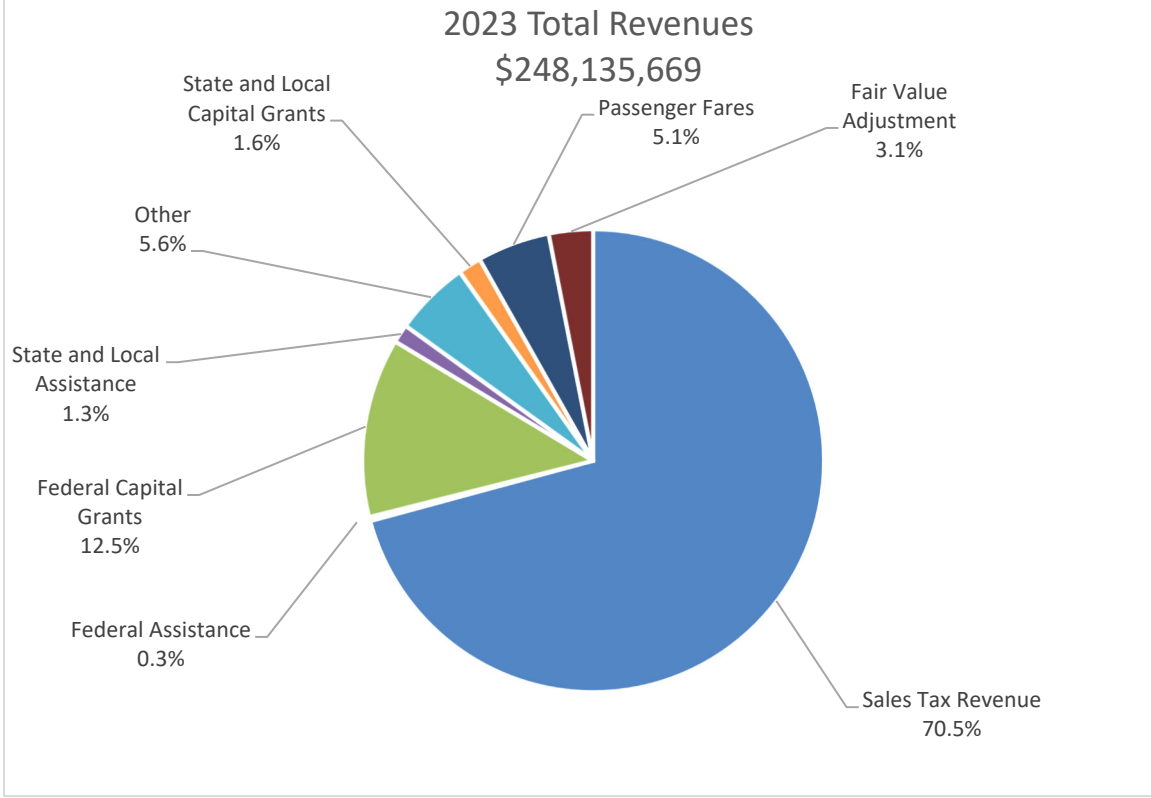
Description	2023	2022	2021
Vehicle Operations	\$ 89,856,174	\$ 66,959,949	\$ 82,987,714
Vehicle Maintenance	28,019,948	23,995,687	27,282,743
Facilities Maintenance	11,528,915	11,575,967	9,702,090
General and Administrative	57,571,464	40,974,086	39,939,078
	<u>\$ 186,976,501</u>	<u>\$ 143,505,689</u>	<u>\$ 159,911,625</u>

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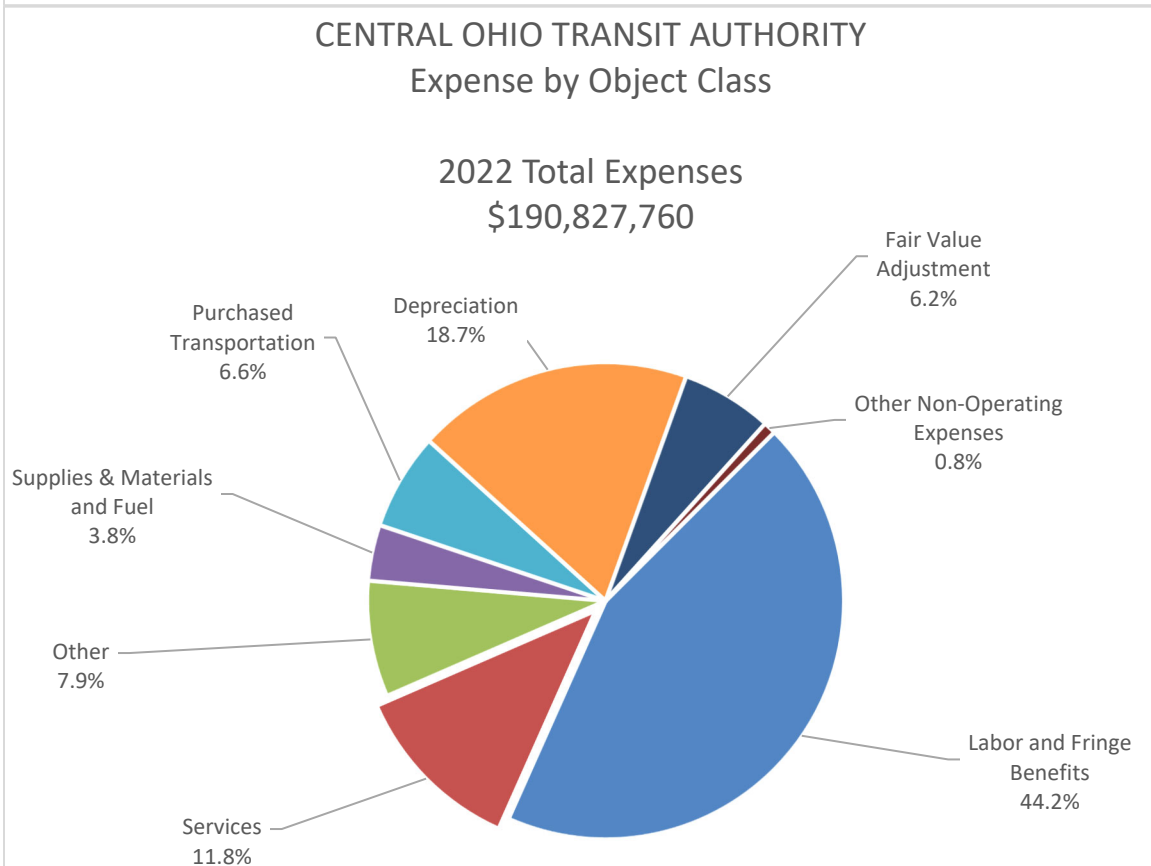
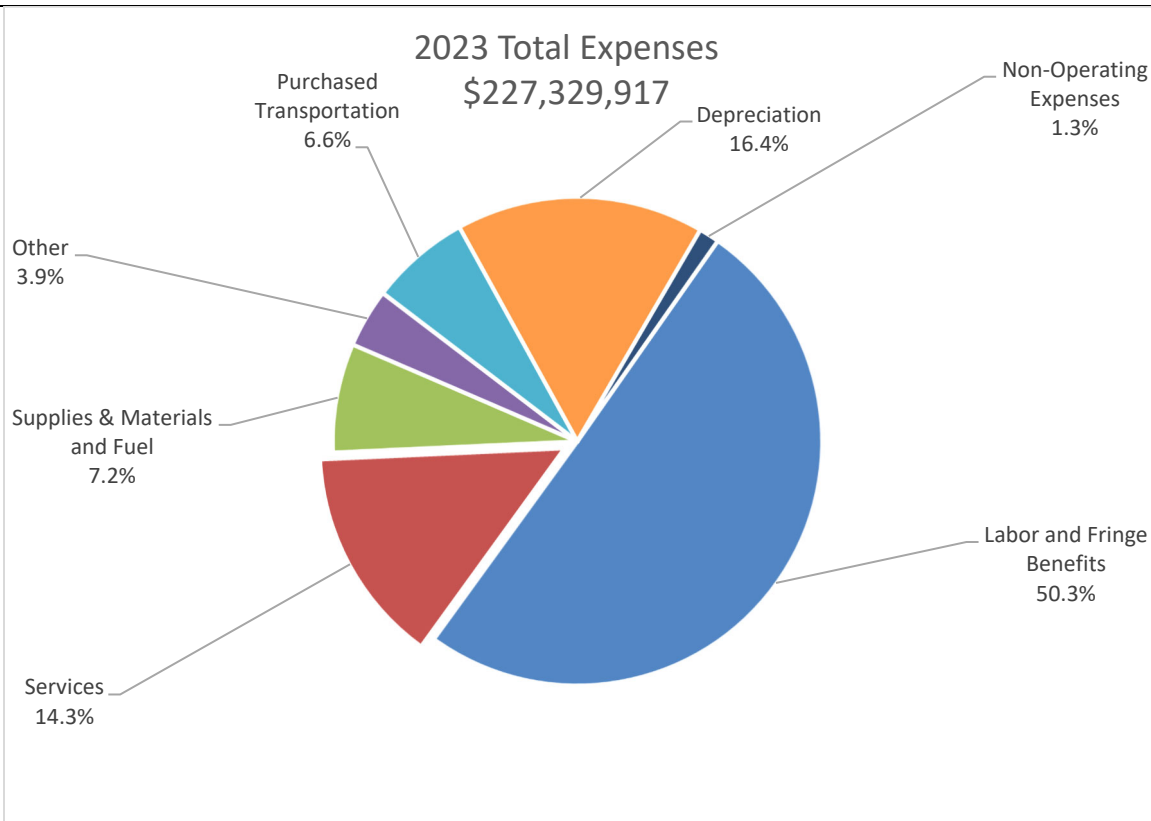
Condensed Summary of Revenues, Expenses and Changes in Net Position:

Description	2023	2022	2021
Operating Revenues			
Passenger Fare Revenues	\$ 12,568,582	\$ 11,055,192	\$ 10,274,922
Special Services Revenue	511,048	582,818	619,460
Total Operating Revenues	<u>13,079,630</u>	<u>11,638,010</u>	<u>10,894,382</u>
Non-Operating Revenues			
Sales Tax Revenues	174,867,791	171,039,332	158,738,492
Federal Operating Assistance	710,116	1,390,530	144,901,343
State Operating Assistance	2,114,353	2,615,502	4,223,160
Local Operating Assistance	1,093,481	703,547	606,019
Investment Income	6,541,125	2,364,635	337,116
Non-transportation and Other Revenues	5,995,976	7,104,011	945,004
Fair Value Adjustment (Revenue)	7,610,127	-	-
Total Non-Operating Revenues	<u>198,932,969</u>	<u>185,217,557</u>	<u>309,751,134</u>
Total Revenue before Capital Grants	<u>212,012,599</u>	<u>196,855,567</u>	<u>320,645,516</u>
Operating Expenses			
Labor	83,004,410	80,184,781	79,932,401
Fringe Benefits	31,225,396	4,091,521	(28,742,152)
Materials and Supplies and Fuel	16,388,510	15,032,896	14,270,531
Purchased Transportation	15,062,627	12,534,810	9,149,049
Services	32,515,867	22,536,868	20,123,531
Other Expenses	8,830,571	7,252,761	6,275,048
Depreciation Expense	37,269,473	35,825,307	32,959,706
Total Operating Expenses	<u>224,296,854</u>	<u>177,458,944</u>	<u>133,968,114</u>
Non-Operating Expenses			
Loss on Disposal of Capital Assets	1,052,939	114,728	843,639
Regional Transit Subsidy	1,969,879	1,474,812	4,023,607
Fair Value Adjustment (Expense)	-	11,779,276	1,361,364
Non-Operating Project Expense	10,245	-	74,484
Total Non-Operating Expense	<u>3,033,063</u>	<u>13,368,816</u>	<u>6,303,094</u>
Change before Capital Grants	<u>(15,317,318)</u>	<u>6,027,807</u>	<u>180,374,308</u>
Capital Grant Revenues			
Federal	30,943,600	25,487,236	20,505,100
State	3,595,935	1,885,627	5,178,067
Local	415,996	248,873	76,719
Total Capital Grant Revenues	<u>34,955,531</u>	<u>27,621,736</u>	<u>25,759,886</u>
Change in Net Position during the Year	<u>19,638,213</u>	<u>33,649,543</u>	<u>206,134,194</u>
Net Position, Beginning of Year	<u>575,433,109</u>	<u>541,783,566</u>	<u>335,649,372</u>
Net Position, End of Year	<u>\$ 595,071,322</u>	<u>\$ 575,433,109</u>	<u>\$ 541,783,566</u>

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Revenues

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

Passenger Fares are comprised of farebox revenues and special services revenues. When compared to 2022, the 2023 farebox revenue is up 13.69% as a result of the increase in ridership. While ridership has increased year over year, it has not yet returned to pre-pandemic levels.

Sales Tax Revenues are received from a permanent .25% sales tax levy approved by voters in November 1999 and a temporary .25% sales tax levy approved by voters in November 2016 applicable to the Authority's service area for a ten-year period. In 2023, 2022, and 2021, the Authority saw a 2.24%, 7.75%, and 18.73% change in annual sales tax revenue, respectively. Although sales tax revenue growth decelerated in 2023, it remained robust.

Federal Assistance is received from the Federal Transit Administration (FTA). In 2023, 2022, and 2021, COTA received operating assistance through §5310 to offset the cost of mobility services.

Federal Capital Grants are received from the Federal Transit Administration (FTA). Eligible expenditures fall into two general categories: capital expenditures and other expenditures which are limited to specific programs. The Authority's funding, as authorized in the *Moving Ahead for Progress in the 21st Century, (MAP-21)*, comes primarily from §5307 which is the Urbanized Area Formula Program. The Authority utilizes these funds primarily for capital programs, transit improvements and enhancements. In 2023, 2022, and 2021, the Authority's §5307 funding allocation increased 21.41% and increased 24.3% and decreased 46.2%, respectively.

State and Local Assistance is the combination of two (2) revenue sources. 1.) The reimbursement of Ohio State fuel taxes. COTA is required to remit state taxes on diesel fuel but is refunded \$0.46 of the \$0.47 per gallon paid. 2.) Local Assistance included subsidized payments from various cities to offer on-demand micro-transit services.

Investment Income is earned on invested funds. In 2023, 2022, and 2021, the Authority recognized 176.62%, 601.43%, and -71.63% change, respectively in investment income. The increases in 2023 is directly impacted by increasing interest rates and stable cash balance.

Non-Transportation and Other Revenue consists of auxiliary transportation and non-transportation revenue. Non-transportation revenue includes miscellaneous income items such as rental income, compressed natural gas sales, and property damage recoveries. In 2023, 2022, and 2021 respectively, the Authority recognized a -15.6%, 651.74%, and -47.3% change in Non-Transportation and Other Revenue.

State and Local Capital Grants consists of \$3,595,935 from Ohio Department of Transportation's Urban Transit Program, for the procurement of 1 battery electric bus and Vehicle Air Filters. In addition, COTA received a total of \$1,093,480 in local contributions from our city partners for our COTA/Plus services. In 2023 we received \$581,119 from the City of Grove City and \$512,361 from the City of Westerville.

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Expenses

Labor includes hourly wages paid to union represented employees (bus operators, mechanics and facility maintenance personnel), and salaries and wages paid to administrative staff (clerical, supervisory and management personnel). In 2023 and 2022, the Authority recognized a 3.52% and .32% change, respectively, in labor expense. In 2023, the slight increases were caused by planned increases offset by turnover. In 2022, the increase in labor was the result of scheduled increases related to the Authority's collective bargaining units and those provided to non-union staff, offset by turnover.

Fringe Benefits consist primarily of vacation, sick and holiday pay, pension and OPEB expenses and employee medical benefits. Required employer contributions to OPERS were made at the rate of 14% of total gross taxable wages. The increase in fringe benefits was due to an increase in expenses incurred at the pension system level for the Ohio Public Employees Retirement System (OPERS) due to a decrease in net investment income on investments compared to previous years.

Materials and Supplies include the Authority's fuel expense and parts used to maintain buses and facilities. In 2023, 2022, and 2021, the Authority recognized a 9%, 10.29%, and 5.15% change, respectively, in fuel expenses incurred. The 2023 increase was based on the rising cost of CNG to fuel the buses and increased service during the year. The increase in 2022 and 2021 was due to the increase in routes resulting from the return of ridership due to the easing of the COVID Pandemic restrictions. In 2023, 2022, and 2021, the Authority recognized a 2.69%, 3.62%, and -3.63% change, respectively, in materials and supplies (excluding fuel). The majority of the material and supply costs for the Authority are related to parts for the repair and maintenance of revenue buses and materials used to maintain Authority owned facilities. Increased material and supply costs, exclusive of fuel, are directly related to service expansions year over year.

Purchased Transportation expenses are amounts paid to private local contractors for the Authority's door-to-door Project Mainstream service. Project Mainstream provides service-on-demand in minibuses equipped with wheelchair lifts for persons with disabilities. Contracted costs are based on a fixed fee in addition to a variable rate based on revenue hours provided. In 2023, 2022, and 2021, the Authority recognized a 20.17%, 37.01%, and -13.9% change respectively. In 2023, the increase from 2022 was based on two additional services provided to Franklin County. In 2022, the increase from 2021 was based on two factors. A new service provider was selected for the service and demand increased. The elimination of the capacity restrictions no longer necessitated the additional services provided by the contractor, reducing costs in 2021 as compared to 2020.

Services are provided by outside contractors to assist the Authority in completing professional, technical, consulting and maintenance related projects. In 2023, 2022, and 2021 the Authority recognized a 44.28%, 11.99%, and 6.98% change, respectively, in the cost of services. These changes are mainly driven by the planned use of information technology consultants, outside consulting for planning projects and outsourced facility maintenance expenses due to a challenging labor market and software and hardware maintenance.

Other Expenses consist primarily of utilities, taxes, advertising, leases and rentals, claims and insurance and other miscellaneous expenses. In 2023, 2022, and 2021, the Authority recognized a 21.8%, 15.6%, and 5.6% change, respectively. The increase in 2023 has been mainly driven by increases in utilities and advertising.

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Depreciation/Amortization Expense In 2023, 2022, and 2021, the Authority recognized 4%, 8.7%, and 7.9% increases respectively, over prior year depreciation/amortization expense. Depreciation/amortization in 2023 was consistent with the prior year.

Non-Operating Expense As a result of the 2010 US census, the City of Delaware has been classified as a part of the Columbus Metropolitan Statistical Area (MSA). This change was effective with Federal Fiscal Year 2013 which affected the funding status of the Delaware Area Transit Authority (DATA) moving them from a rural transit funded through Ohio Department of Transportation (ODOT) to an urban transit funded directly from the Federal Transit Administration via Section 5307 formula funds. The change has had a detrimental impact on DATA's ability to utilize their federal funds from the urbanized area. DATA is unable to meet the local funding requirements to utilize their portion of the federal funding. With the assistance of MORPC, COTA and DATA entered into an agreement that specified the method of allocation that will be used going forward to split the 5307 funds awarded to the Columbus MSA on an annual basis. The allocation that DATA receives from this split is significantly less than the funding they received under the rural program administered by ODOT. In recognition of the financial dilemma that DATA is in, ODOT and COTA have entered into an agreement whereby DATA will receive local funding from COTA for use in public transportation in Delaware County and the FTA, upon advisement by ODOT, will transfer an equal amount of federal funds to COTA. In 2023, 2022, and 2021 \$1,969,879, \$1,474,812, and \$4,023,607 respectively, was transferred to Delaware Area Transit Authority.

The Authority has several on-going capital projects that require the improvement of assets that are not owned by the Authority. Such expenses cannot be classified as capital expenses of the project nor can they be classified as operating expenses of the Authority. In 2023, 2022, and 2021 these non-operating projects expenses were \$10,245, \$0, and \$74,484 respectively.

Current Financial Related Activities

The Central Ohio region is expanding rapidly, bringing jobs and economic opportunity to our residents. By 2050 our region is expected to add more than 750,000 new residents and 357,000 jobs. That requires a public transportation system, and the infrastructure, to successfully meet these new demands and ensure equitable access to jobs, entertainment, healthcare, food, housing and greenways. COTA is positioning itself to meet the area's growing mobility needs. LinkUS is Central Ohio's comprehensive transportation initiative to help address growth, affordability and opportunity gaps in our community. LinkUS will provide faster and more reliable rapid transit, safe sidewalks, protected bike lanes and expanded trails for our growing region.

Requests for Information

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

Office of Chief Financial Officer
Central Ohio Transit Authority
William J. Lhota Building
33 N. High Street
Columbus, OH 43215
www.cota.com

CENTRAL OHIO TRANSIT AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2023 and 2022

	2023	Restated 2022
ASSETS:		
CURRENT ASSETS:		
Equity in pooled cash and investments	\$ 291,200,839	\$ 263,062,036
Receivables:		
Sales tax	45,593,783	45,571,834
Federal capital grants receivable	5,335,514	7,721,650
Federal operating assistance	281,728	650,712
State capital grants receivable	1,160,000	1,250,000
State operating assistance	-	1,366,252
Other	2,562,524	2,121,522
Leases	3,408,239	3,918,648
Inventory of materials and supplies	5,379,098	5,058,589
Prepayments	1,998,713	4,051,204
Board designated:		
Cash and cash equivalents - capital grants	-	7,773,122
Investments - self insurance	17,258,067	16,734,731
TOTAL CURRENT ASSETS	374,178,505	359,280,300
NON-CURRENT ASSETS:		
Fair value of derivative	278,775	-
Net pension asset	1,167,539	2,146,175
Net OPEB asset	-	15,194,325
Capital assets:		
Non-depreciable land	12,091,081	10,908,509
Non-depreciable construction in progress	105,522,356	56,857,208
Depreciable/amortizable capital assets, net	238,248,680	250,715,117
Total capital assets, net	355,862,117	318,480,834
TOTAL NON-CURRENT ASSETS	357,308,431	335,821,334
TOTAL ASSETS	731,486,936	695,101,634
DEFERRED OUTFLOWS OF RESOURCES:		
Pension	57,294,150	20,307,654
OPEB	9,085,247	395,245
TOTAL DEFERRED OUTFLOWS OF RESOURCES	66,379,397	20,702,899
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	7,746,572	7,425,449
Accrued payroll and fringe benefits	11,023,468	10,129,423
Accrued payroll taxes	997,776	1,378,807
Estimated workers' compensation claims	290,182	153,091
Estimated health insurance claims	1,222,345	1,350,959
Estimated claims payable	863,726	620,091
SBITA	58,983	752,286
Bonds payable	240,000	-
Leases	16,000	18,817
Other current liabilities	501,312	648,398
TOTAL CURRENT LIABILITIES	22,960,364	22,477,321
NON-CURRENT LIABILITIES:		
Accrued fringe benefits	351,118	-
Other liabilities	261,937	-
Estimated workers' compensation claims	1,210,726	853,654
Bonds payable	31,719,601	-
Leases	49,920	9,352
Net OPEB liability	2,963,970	-
Net pension liability	137,017,062	41,728,185
TOTAL NON-CURRENT LIABILITIES	173,574,334	42,591,191
TOTAL LIABILITIES	196,534,698	65,068,512
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflow from derivative instruments	278,775	-
Leases	3,435,793	3,993,979
Pension	1,568,206	53,967,499
OPEB	977,539	17,341,434
TOTAL DEFERRED INFLOWS OF RESOURCES	6,260,313	75,302,912
NET POSITION:		
Net investment in capital assets	328,482,540	317,728,548
Restricted for net pension	1,167,539	-
Unrestricted	265,421,243	257,704,561
TOTAL NET POSITION	\$ 595,071,322	\$ 575,433,109

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CENTRAL OHIO TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022

	2023	2022
OPERATING REVENUES:		
Passenger fares for transit service	\$ 12,568,582	\$ 11,055,192
Special transit fares	511,048	582,818
Total operating revenues	13,079,630	11,638,010
Operating expenses:		
Labor	83,004,410	80,184,781
Fringe benefits	31,225,396	4,091,521
Materials and supplies	11,271,617	10,976,245
Fuel	5,116,893	4,056,651
Purchased transportation	15,062,627	12,534,810
Services	32,515,867	22,536,868
Utilities	3,386,293	3,693,021
Taxes	361,477	405,992
Leases and rentals	50,882	88,094
Claims and insurance, net of settlements	1,110,773	42,643
Advertising	2,153,312	1,760,688
Miscellaneous	1,767,834	1,262,323
Total	187,027,381	141,633,637
Depreciation/Amortization	37,269,473	35,825,307
Total operating expenses	224,296,854	177,458,944
Operating income (loss)	(211,217,224)	(165,820,934)
Nonoperating revenues (expenses):		
Sales tax revenues	174,867,791	171,039,332
Federal operating grants	710,116	1,390,530
State operating grants, reimbursements and special fare assistance	2,114,353	2,615,502
Local operating grants	1,093,481	703,547
Investment income	6,541,125	2,364,635
Fair value adjustment	7,610,127	(11,779,276)
Regional transit subsidy	(1,969,879)	(1,474,812)
Non-operating project expense	(10,245)	-
Non-transportation and other revenue	5,995,976	7,104,011
Gain (loss) on sale of capital assets	(1,052,939)	(114,728)
Total nonoperating revenues (expenses)	195,899,906	171,848,741
Change before capital grants	(15,317,318)	6,027,807
Capital grant revenues:		
Federal	30,943,600	25,487,236
State	3,595,935	1,885,627
Local	415,996	248,873
Total	34,955,531	27,621,736
Change in net position	19,638,213	33,649,543
Net position at beginning of year	575,433,109	541,783,566
Net position at end of year	\$ 595,071,322	\$ 575,433,109

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CENTRAL OHIO TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Cash received from customers	\$ 12,648,690	\$ 8,395,703
Cash received from non-transportation	7,232,922	4,122,140
Cash payments to suppliers for goods and services	(71,329,051)	(56,322,720)
Cash payments to employees for services	(82,192,305)	(80,942,203)
Cash payments for employee benefits	(30,903,638)	(35,645,865)
Other receipts	511,048	582,818
Net cash provided by (used in) operating activities	(164,032,334)	(159,810,127)
Cash flows from noncapital financing activities:		
Sales taxes received	174,845,842	168,246,074
Federal operating assistance received	1,079,100	1,021,546
Local assistance provided	(1,969,879)	(1,474,812)
State operating and other assistance received	3,480,605	1,249,250
Local operating and other assistance received	1,093,481	703,547
Net cash provided by (used in) noncapital financing activities	178,529,149	169,745,605
Cash flows from capital and related financing activities:		
Federal capital grants received	30,943,600	22,460,042
State capital grants received	3,685,935	635,627
Local capital grants received	415,996	248,873
Acquisition and construction of capital assets	(72,949,856)	(59,535,283)
Acquisition and construction of non-capital project expenses	(10,245)	-
Proceeds from sale of capital assets	807,809	335,777
Proceeds from sale of bonds	30,000,000	-
Proceeds from premium on sale of bonds	1,975,977	-
Payments on leases and SBITAs	(2,628,266)	-
Net cash provided by (used in) capital and related financing activities	(7,759,050)	(35,854,964)
Cash flows from investing activities:		
Fair value adjustment	245,130	(11,779,276)
Interest received	13,906,122	2,364,635
Net cash provided by (used in) investing activities	14,151,252	(9,414,641)
Net increase (decrease) in cash and cash equivalents	20,889,017	(35,334,127)
Cash and cash equivalents at beginning of year	287,569,889	322,904,016
Cash and cash equivalents at end of year	\$ 308,458,906	\$ 287,569,889
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (211,217,224)	\$ (165,820,934)
Adjustments:		
Depreciation/amortization	37,269,473	35,825,307
Non-transportation revenue	7,232,922	4,122,140
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Decrease (increase) in other receivables	(441,002)	(571,491)
Decrease (increase) in materials and supplies inventory	(320,509)	(507,734)
Decrease (increase) in lease receivable	510,409	(928,056)
Decrease (increase) in other assets	2,052,491	(2,108,445)
Decrease (increase) in net pension asset	978,636	(481,429)
Decrease (increase) in net OPEB asset	15,194,325	(6,780,618)
Decrease (increase) in deferred outflows for pension/OPEB	(45,676,498)	2,688,621
Increase (decrease) in accounts payable, accrued compensation self insurance liabilities, and other	1,453,170	(812,466)
Increase (decrease) in net pension liability	95,288,877	(27,308,847)
Increase (decrease) in net OPEB liability	2,963,970	-
Increase (decrease) in deferred inflows for pension/OPEB and leases	(69,321,374)	2,873,825
Net cash provided by (used in) operating activities	\$ (164,032,334)	\$ (159,810,127)
Supplemental Disclosure of Noncash Activity:		
Capital assets acquired through accounts payable	\$ 3,485,520	\$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CENTRAL OHIO TRANSIT AUTHORITY

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

(1) Organization and Reporting Authority

Organization

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

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, in 0.25% increments up to a maximum rate of 1.5% if approved by a majority of the electors residing within the territorial boundaries of the Authority. Such a sales and use tax is in addition to the sales and use taxes levied by the State of Ohio and Franklin County. On November 5, 1999, the voters of Franklin County approved a permanent 0.25% sales and use tax. On November 8, 2016, the voters of Franklin County and surrounding counties within the COTA district renewed a temporary 10 year additional 0.25% sales and use tax.

The Authority also has the power, under Section 306.40 of the Ohio Revised Code, to levy and collect both voted (after approval at an election) and unvoted ad valorem taxes on all the taxable property within the territorial boundaries of the Authority, in order to pay debt service on its bonds and notes issued in anticipation thereof. Ad valorem taxes were not levied during fiscal year 2023.

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

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

Reporting Authority

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

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

(1) Summary of Significant Accounting Policies

Basis of Accounting

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

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

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

Grant and Assistance

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

Inventory of Materials and Supplies

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

Derivative Instruments

The Authority's derivative financial instruments are accounted for in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instrument* and GASB Statement No. 72, *Fair Value Measurement and Application*.

Derivative instruments are utilized by the Authority to manage market risk and reduce its exposure resulting from fluctuations in prices of diesel fuel and natural gas in order to manage year-over-year changes in energy costs. These instruments include commodity swap agreements which convert indexed diesel fuel and natural gas revenues to fixed prices.

Board Designated Assets

These assets are designated for the payment of public liability claims under the Authority's self-insurance program and for future capital expenditures. There were no Board designated amounts for future capital expenditures in 2023.

Net Position

Equity is displayed in three components as follows:

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

Restricted– Net position is restricted when there are limitations on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

Classifications of Revenues

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

Recognition of Revenue and Receivables

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

When assets acquired with capital grant funds are disposed of before their useful life, the Authority is required to notify the granting federal agency if the fair market value of the asset exceeds \$5,000 at the time of disposal. A proportional amount of the proceeds or fair value, if any, of such property and equipment, may be used to acquire like-kind replacement assets; and if not replaced, remitted to the granting federal agency.

Property and Depreciation

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

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

<u>Description</u>	<u>Years</u>
Land and leasehold improvements	5 - 20
Buildings and improvements	20 - 40
Revenue vehicles	4 - 12
Intangible leased assets	3 - 8
Transit shelters	5 - 8
Other equipment	2 - 10

Assets acquired with capital grants are included in property and equipment and depreciation on those assets is included in the Statements of Revenues, Expenses and Changes in Net Position. Donated capital assets are recorded at the acquisition value as of the date donated.

The Authority is reporting intangible right to use assets related to leased vehicles and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

Estimated Claims Payable

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

Compensated Absences

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

	Current	Non-current
Compensated Absences Liability December 31, 2021	\$ 5,978,318	\$ 820,319
Vacation & Sick Liability Earned	7,537,250	-
Vacation & Sick Liability Paid	-6,742,311	-820,319
Compensated Absences Liability December 31, 2022	\$ 6,773,257	\$ -
Vacation & Sick Liability Earned	7,188,448	351,118
Vacation & Sick Liability Paid	-6,672,324	-
Compensated Absences Liability December 31, 2023	\$ 7,289,381	\$ 351,118

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

Passenger Fares

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

Budgetary Accounting and Control

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

Use of Estimates

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

Non-exchange Transactions

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include sales and use tax revenue and grants. On an accrual basis, revenue from sales and use taxes is recognized in the period when the underlying exchange transaction occurs. Therefore, taxes on items sold in 2023 will be recognized as revenue in 2023. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(2) Summary of Significant Accounting Policies (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 9 and 10 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, the government-wide statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease. See Notes 9 and 10 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

Bond Issuance Costs and Bond Premium

Bond issuance costs are recognized in the period in which they are incurred. Bond premiums are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. The reconciliation between the face value of the bonds and the amount reported on the statement of net position is presented in Note 15.

Prepayments

Payments made to vendors for services that benefit future periods are recorded as prepayments. A current asset for the prepaid amount is recorded at the time of purchase and the expenditure is reported in the year in which services are consumed.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB assets, and pension and OPEB expenses, information about the fiduciary net position of the pension and 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 and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB plans report investments at fair value.

(3) Upcoming Accounting Pronouncements

Change in Accounting Principles

For 2023, the Authority has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the Authority.

CENTRAL OHIO TRANSIT AUTHORITY

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

(3) Upcoming Accounting Pronouncements – (continued)

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (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.

These changes were incorporated in the Authority's 2023 financial statements. The Authority recognized \$752,286 in subscriptions payable at January 1, 2023; however, this entire amount was offset by the intangible asset, right-to-use subscription assets.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the Authority.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Authority.

(4) Cash and Investments

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but has adopted GASB Statement No. 79, Certain External Investment Pools and Pool Participants. The Authority measures its 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. For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is encouraged. Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business days(s), but on to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of bank failure, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Authority to a successful claim by the Federal Deposit Insurance Corporation. The Authority has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(4) Cash and Investments – (continued)

Eligible securities pledged to the Authority and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

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. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

At December 31, 2023, the carrying amount of the Authority's deposits with financial institutions was \$12,500,774 and the depository balance was \$19,769,605. At December 31, 2023, \$283,554 was covered by Federal Deposit Insurance. \$19,486,051 was collateralized with securities deposited with a qualified trustee and pledged to the Treasurer of State. In addition, the Authority had \$687 of cash on hand.

At December 31, 2022, the carrying amount of the Authority's deposits with financial institutions was \$9,232,996 and the depository balance was \$14,136,617. At December 31, 2022, \$331,101 was covered by Federal Deposit Insurance. \$13,805,516 was collateralized with securities deposited with a qualified trustee and pledged to the Treasurer of State. In addition, the Authority had \$687 of cash on hand.

Investments

As of December 31, 2023, the Authority had the following investments and maturities:

Measurement/ Investment type	Investment Maturities					
	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FFCB	\$ 60,342,943	\$ 6,417,050	\$ -	\$ 13,863,005	\$ -	\$ 40,062,888
FHLB	82,351,790	2,313,787	10,056,228	9,107,545	-	60,874,230
AGM	6,684,985	-	2,407,375	2,899,350	-	1,378,260
PEFC	3,090,063	-	-	-	-	3,090,063
FNMA	6,579,320	-	-	3,774,560	2,804,760	-
FMCC	5,278,515	-	-	-	2,799,990	2,478,525
U.S. Treasury Notes	51,389,752	1,639,754	13,606,149	7,777,293	5,741,658	22,624,898
Negotiable CDs	3,610,841	-	242,431	2,647,193	-	721,217
Commercial Paper	14,816,121	14,816,121	-	-	-	-
Tennessee Valley Authority	3,484,390	-	-	-	-	3,484,390
U.S. Government Money Market	495,772	495,772	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	57,833,640	57,833,640	-	-	-	-
Total	\$ 295,958,132	\$ 83,516,124	\$ 26,312,183	\$ 40,068,946	\$ 11,346,408	\$ 134,714,471

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(4) Cash and Investments – (continued)

As of December 31, 2022, the Authority had the following investments and maturities:

Measurement/ Investment type	Investment Maturities					
	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FFCB	\$ 53,051,223	\$ 8,364,630	\$ 2,878,380	\$ 8,171,709	\$ -	\$ 33,636,504
FHLB	60,479,695	-	2,881,710	7,892,408	5,834,953	43,870,624
FHLMC	6,481,075	-	-	-	2,333,425	4,147,650
FNMA	10,595,687	-	1,440,765	-	-	9,154,922
FAMCA	9,084,395	-	3,879,040	-	-	5,205,355
U.S. Treasury Notes	57,601,103	1,954,920	4,845,025	4,262,769	17,069,041	29,469,348
Negotiable CDs	925,710	245,768	-	-	233,677	446,265
Commercial Paper	29,683,001	20,604,046	9,078,955	-	-	-
U.S. Government Money Market	124,890	124,890	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	50,309,427	50,309,427	-	-	-	-
Total	\$ 278,336,206	\$ 81,603,681	\$25,003,875	\$20,326,886	\$ 25,471,096	\$ 125,930,668

The weighted average maturity of investments is 1.85 years and 1.85 years at December 31, 2023 and December 31, 2022, respectively.

The Authority's investments are valued using quoted market prices (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Authority's investment policy addresses interest rate risk by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversification of maturities and (3) diversification of assets.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the Authority's name. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the qualified trustee.

Credit Risk: STAR Ohio carries a rating of AAAm (strongest rating) by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The Authority's investment policy minimizes credit risk by (1) diversifying assets by issuer; (2) ensuring that required, minimum credit quality ratings as described by nationally recognized rating organizations and agencies exist prior to the purchase of commercial paper and bankers' acceptances; and (3) maintaining adequate collateralization of CD's. The Authority's investments in federal agency securities and its investments in U.S. Government money market funds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

Concentration of Credit Risk: The Authority's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(4) Cash and Investments (continued)

The following table includes the percentage of each investment type held by the Authority at December 31, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 60,342,943	20.39
FHLB	82,351,790	27.83
AGM	6,684,985	2.26
PEFC	3,090,063	1.04
FNMA	6,579,320	2.22
FMCC	5,278,515	1.78
US Treasury Notes	51,389,752	17.36
Negotiable CDs	3,610,841	1.22
Commercial Paper	14,816,121	5.01
Tennessee Valley Authority	3,484,390	1.18
US Government Money Market	495,772	0.17
<i>Amortized Cost:</i>		
STAR Ohio	<u>57,833,640</u>	<u>19.54</u>
Total	<u>\$ 295,958,132</u>	<u>100.00</u>

The following table includes the percentage of each investment type held by the Authority at December 31, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 53,051,223	19.06
FHLB	60,479,695	21.73
FHLMC	6,481,075	2.33
FNMA	10,595,687	3.81
FAMCA	9,084,395	3.26
US Treasury Notes	57,601,103	20.70
Municipal Bonds	-	-
Negotiable CDs	925,710	0.33
Commercial Paper	29,683,001	10.66
US Government Money Market	124,890	0.04
<i>Amortized Cost:</i>		
STAR Ohio	<u>50,309,427</u>	<u>18.08</u>
Total	<u>\$ 278,336,206</u>	<u>100.00</u>

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(5) Commitments

The Authority has several active projects as of December 31, 2023. At year-end, the Authority's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Revenue Vehicles	\$ -	\$ 30,259,235
Electrification	3,214,031	4,434,915
McKinley	52,977,670	16,290,273
Rickenbacker	3,221,082	19,238,858
Linkus	7,240,822	29,687
Transit stop improvements	486,694	411,057
	<u>\$ 67,140,299</u>	<u>\$ 70,664,025</u>

(6) Capital Assets

Due to the implementation of GASB 96 (See Note 3 for detail), the Authority has restated capital assets for the right to use SBITA, which are reflected in the schedule below. Capital asset activities for the years ended December 31, 2023 and 2022 are as follows:

	<u>Restated January 1, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>December 31, 2023</u>
Capital Assets Not Being Depreciated/Amortized				
Land	\$ 10,908,510	\$ 1,182,571	\$ -	\$ 12,091,081
CIP	56,857,208	70,748,723	(22,083,575)	105,522,356
Total	<u>67,765,718</u>	<u>71,931,294</u>	<u>(22,083,575)</u>	<u>117,613,437</u>
Capital Assets Being Depreciated/Amortized				
Land and leasehold improvements	21,312,601	1,540,717	-	22,853,318
Building and improvements	229,027,711	2,843,483	-	231,871,194
Revenue vehicles	172,368,855	10,706,082	(6,594,095)	176,480,842
Transit shelter	10,872,553	-	-	10,872,553
Other equipment	95,813,660	5,810,723	(9,384)	101,614,999
Right to use - intangible asset	2,032,221	3,686,131	(218,873)	5,499,479
Right to use - SBITA	752,286	313,824	-	1,066,110
Total	<u>532,179,887</u>	<u>24,900,960</u>	<u>(6,822,352)</u>	<u>550,258,495</u>
Less Accumulated Depreciation				
Land and leasehold improvements	(10,050,293)	(1,355,660)	-	(11,405,953)
Building and improvements	(112,747,501)	(11,057,016)	-	(123,804,517)
Revenue vehicles	(91,019,003)	(12,074,282)	6,496,173	(96,597,112)
Transit shelter	(7,723,325)	(1,053,662)	-	(8,776,987)
Other equipment	(59,508,234)	(10,087,189)	9,384	(69,586,039)
Right to use - intangible asset	(416,416)	(944,611)	218,873	(1,142,154)
Right to use - SBITA	-	(697,053)	-	(697,053)
Total	<u>(281,464,772)</u>	<u>(37,269,473)</u>	<u>6,724,430</u>	<u>(312,009,815)</u>
Total Capital Assets Being Depreciated, Net	<u>250,715,115</u>	<u>(12,368,513)</u>	<u>(97,922)</u>	<u>238,248,680</u>
Total Capital Assets Net	<u>\$ 318,480,833</u>	<u>\$ 59,562,781</u>	<u>\$ (22,181,497)</u>	<u>\$ 355,862,117</u>

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(6) Capital Assets (continued)

	<u>January 1, 2022</u>	<u>Additions</u>	<u>Reclassifications/ Disposals</u>	<u>Transfers</u>	<u>December 31, 2022</u>
Capital Assets Not Being Depreciated/Amortized					
Land	\$ 10,908,509	\$ -	\$ -	\$ -	\$ 10,908,509
CIP	30,941,924	62,085,606	(635,914)	(35,534,408)	56,857,208
Total	<u>41,850,433</u>	<u>62,085,606</u>	<u>(635,914)</u>	<u>(35,534,408)</u>	<u>67,765,717</u>
Capital Assets Being Depreciated/Amortized					
Land and leasehold improvements	21,252,963	-	-	59,638	21,312,601
Building and improvements	222,360,461	-	34,194	6,633,056	229,027,711
Revenue vehicles	180,329,361	-	(19,075,114)	11,114,609	172,368,856
Transit shelter	10,872,553	-	-	-	10,872,553
Other equipment	78,228,606	-	(142,050)	17,727,105	95,813,661
Right to use - intangible asset	1,054,684	977,537	-	-	2,032,221
Total	<u>514,098,628</u>	<u>977,537</u>	<u>(19,182,970)</u>	<u>35,534,408</u>	<u>531,427,603</u>
Less Accumulated Depreciation					
Land and leasehold improvements	(8,677,040)	(1,373,253)	-	-	(10,050,293)
Building and improvements	(101,038,541)	(11,708,960)	-	-	(112,747,501)
Revenue vehicles	(96,489,227)	(13,730,198)	19,200,422	-	(91,019,003)
Transit shelter	(6,629,141)	(1,094,184)	-	-	(7,723,325)
Other equipment	(52,147,656)	(7,502,296)	141,718	-	(59,508,234)
Right to use - intangible asset	-	(416,416)	-	-	(416,416)
Total	<u>(264,981,605)</u>	<u>(35,825,307)</u>	<u>19,342,140</u>	<u>-</u>	<u>(281,464,772)</u>
Total Capital Assets Being Depreciated, Net	<u>249,117,023</u>	<u>(34,847,770)</u>	<u>159,170</u>	<u>35,534,408</u>	<u>249,962,831</u>
Total Capital Assets Net	<u>\$ 290,967,456</u>	<u>\$ 27,237,836</u>	<u>\$ (476,744)</u>	<u>\$ -</u>	<u>\$ 317,728,548</u>

(7) Grants, Reimbursements and Special Fare Assistance

Grants, reimbursements and special fare assistance included in the Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2023 and 2022 consist of the following:

Federal:		
	<u>2023</u>	<u>2022</u>
FTA Capital Assistance	\$ 30,943,600	\$ 25,487,236
FTA Operating Assistance	710,116	1,390,530
Total	<u>\$ 31,653,716</u>	<u>\$ 26,877,766</u>
State:		
ODOT Fuel Tax Reimbursement	\$ 1,372,329	\$ 1,602,452
State Operating Assistance	742,024	1,013,050
State Capital Assistance	3,595,935	1,885,627
Total	<u>\$ 5,710,288</u>	<u>\$ 4,501,129</u>
Local:		
City of Columbus Reimbursement - Capital Assistance	\$ 415,996	\$ 248,873
COTA Plus Contributions - Operating Assistance	1,093,481	703,547
Total	<u>\$ 1,509,477</u>	<u>\$ 952,420</u>

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(8) Risk Management

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

COTA is self-insured for all public liability, personal injury and property damage claims. The estimated liability for such claims of \$863,726 at December 31, 2023, and \$620,091 at December 31, 2022, are included in estimated claims payable in the accompanying Statements of Net Position. At December 31, 2023 and 2022 \$17,258,067 and \$16,734,731, respectively, was designated by the Board of Trustees to fund the self-insurance program. Such funds are included in board designated assets in the accompanying Statements of Net Position.

Prior to June 30, 1998, COTA was insured through the State of Ohio Bureau of Workers' Compensation (BWC) for injuries to its employees. On July 1, 1998, the Authority entered into an agreement with the BWC to become self-insured for claims pertaining to work-related injuries to Authority employees occurring on or after that date. The BWC agreed to continue to administer and pay all compensation claims arising on or before June 30, 1998. The estimated remaining liability for all such claims occurring since July 1, 1998, is \$1,500,908 at December 31, 2023 and \$1,006,745 at December 31, 2022 and is included as a liability in the accompanying Statements of Net Position.

On January 1, 2021, the Authority became self-insured for health insurance claims. The estimated liability for such claims of \$1,222,345 at December 31, 2023, and \$1,350,959 at December 31, 2022, and is included as a liability in the accompanying Statements of Net Position.

The general claims liability was calculated by establishing reserves on a case-by-case basis after analysis by in-house counsel and outside attorneys. The workers' compensation liability and the health insurance liability were determined by analyzing claim lag information provided by COTA's third party administrators. A summary of changes in self-insurance claims liability for the years ended December 31, 2023 and 2022 follows:

	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Health Insurance</u>
Claims liability at December 31, 2021	\$ 1,183,517	\$ 1,148,691	\$ 1,598,739
Incurred claims, net of favorable settlements	-	797,614	16,859,044
Claims paid	(563,426)	(939,560)	(17,106,824)
Claims liability at December 31, 2022	\$ 620,091	\$ 1,006,745	\$ 1,350,959
Incurred claims, net of favorable settlements	431,103	1,314,934	15,628,763
Claims paid	(187,469)	(820,771)	(15,757,377)
Claims liability at December 31, 2023	<u>\$ 863,725</u>	<u>\$ 1,500,908</u>	<u>\$ 1,222,345</u>

There were no changes to the general liability or workers' compensation policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding reserves. The amount of general liability, workers' compensation claims and health insurance claims expected to be paid within one year is \$2,376,253 and \$2,124,141, for 2023 and 2022 respectively.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

The net pension liability/asset and the net OPEB liability reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and 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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in accrued payroll and fringe benefits.

The remainder of this note includes the pension disclosures. See Note 10 for the OPEB disclosures.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	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
Traditional Plan 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	Traditional Plan 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	Traditional Plan 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
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% 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.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

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

	State and Local	
	Traditional	Combined
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
2023 Actual Contribution Rates		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits ****	0.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Authority's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$11,066,067 for 2023.

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

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

Following is information related to the proportionate share and pension expense:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Proportion of the net pension liability/asset prior measurement date	0.47961200%	0.51764800%	0.58722000%	
Proportion of the net pension liability/asset current measurement date	<u>0.46383500%</u>	<u>0.47517300%</u>	<u>0.60873700%</u>	
Change in proportionate share	<u>-0.01577700%</u>	<u>-0.04247500%</u>	<u>0.02151700%</u>	
Proportionate share of the net pension liability	\$ 137,017,062	\$ -	\$ -	\$ 137,017,062
Proportionate share of the net pension asset	-	(1,119,934)	(47,605)	(1,167,539)
Pension expense	17,808,815	143,589	(4,613)	17,947,791

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 4,551,131	\$ 68,852	\$ 136,803	\$ 4,756,786
Net difference between projected and actual earnings on pension plan investments	39,054,168	408,154	22,319	39,484,641
Changes of assumptions	1,447,488	74,143	3,022	1,524,653
Changes in employer's proportionate percentage/ difference between employer contributions	462,003	-	-	462,003
Contributions subsequent to the measurement date	10,368,225	257,812	440,030	11,066,067
Total deferred outflows of resources	<u>\$ 55,883,015</u>	<u>\$ 808,961</u>	<u>\$ 602,174</u>	<u>\$ 57,294,150</u>

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ -	\$ 160,021	\$ -	\$ 160,021
Changes in employer's proportionate percentage/ difference between employer contributions	1,408,185	-	-	1,408,185
Total deferred inflows of resources	\$ 1,408,185	\$ 160,021	\$ -	\$ 1,568,206

\$11,066,067 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net pension liability/asset in the year ending December 31, 2024.

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

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	Total
Year Ending December 31:				
2024	\$ 4,810,897	\$ 16,573	\$ 22,697	\$ 4,850,167
2025	8,668,711	75,089	24,356	8,768,156
2026	11,495,543	104,180	24,772	11,624,495
2027	19,131,453	175,723	28,077	19,335,253
2028	-	(476)	16,111	15,635
Thereafter	-	20,039	46,131	66,170
Total	\$ 44,106,604	\$ 391,128	\$ 162,144	\$ 44,659,876

Actuarial Assumptions - OPERS

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

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 applied to all periods included in the measurement in accordance with the requirements of GASB 67.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	2.75%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2023, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	6.90%
Actuarial cost method	Individual entry age

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

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

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(9) Defined Benefit Pension Plan (continued)

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 (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2022 was 6.90%. 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 6.90%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 205,246,988	\$ 137,017,062	\$ 80,262,008
Combined Plan	(584,463)	(1,119,934)	(1,544,312)
Member-Directed Plan	(30,437)	(47,605)	(60,874)

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan

Net OPEB Liability

See Note 9 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

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

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

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

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

CENTRAL OHIO TRANSIT AUTHORITY

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (continued)

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

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

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

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

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

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (continued)

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$218,981 for 2023.

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

The net OPEB liability and total OPEB liability for OPERS were 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 payment, 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 retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>
Proportion of the net OPEB liability/asset prior measurement date	0.48510800%
Proportion of the net OPEB liability current measurement date	<u>0.47008400%</u>
Change in proportionate share	<u><u>-0.01502400%</u></u>
Proportionate share of the net OPEB liability	\$ 2,963,970
OPEB expense	(6,676,621)

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (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	
Net difference between projected and actual earnings on OPEB plan investments	\$ 5,886,546
Changes of assumptions	2,894,976
Changes in employer's proportionate percentage/difference between employer contributions	84,744
Contributions subsequent to the measurement date	218,981
Total deferred outflows of resources	\$ 9,085,247

	OPERS
Deferred inflows of resources	
Differences between expected and actual experience	\$ 739,330
Changes of assumptions	238,209
Total deferred inflows of resources	\$ 977,539

\$218,981 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of/increase to the net OPEB liability in the year ending December 31, 2024.

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

	OPERS
Year Ending December 31:	
2024	\$ 1,054,525
2025	2,154,896
2026	1,835,616
2027	2,843,690
Total	\$ 7,888,727

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (continued)

Actuarial Assumptions - OPERS

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

Projections of 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 OPERS 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 actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	
Current measurement date	2.75%
Prior Measurement date	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
Actuarial Cost Method	Individual Entry Age Normal

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

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (continued)

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

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

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

For each major asset class that is included in the Health Care's 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 (Geometric)
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00 %	

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(10) Defined Benefit OPEB Plan (continued)

Discount Rate - 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 that the contributions for use with the long-term expected rate are not met). This single discount rate was based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 4.05%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net OPEB liability/(asset)	\$ 10,088,003	\$ 2,963,970	\$ (2,914,521)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. 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 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health care cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
Authority's proportionate share of the net OPEB liability	\$ 2,778,196	\$ 2,963,970	\$ 3,173,067

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(11) Contingent Liabilities

Litigation

It is the Authority's policy to act as self-insurer for certain insurable risks consisting primarily of public liability and property damage. At December 31, 2023, COTA has been named in various public liability and property damage claims and suits, some of which seek significant damages. The ultimate outcome of the claims and suits cannot be determined; however, it is the opinion of management that any resulting liability to the Authority in excess of that provided for in the accompanying balance sheet will not have a material adverse effect on the Authority's financial position.

Federal and State Grants

Under the terms of the Authority's various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At December 31, 2023, there were no material questioned costs that had not been resolved with appropriate federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of COTA's management, no material grant expenditures will be disallowed. FaTA grant stipulations also require the grantor to retain assets acquired by FTA funds for the full estimated asset life (as determined by the FTA). If this provision is not met, the grantor must refund FTA's un-depreciated basis in assets disposed with a net book value greater than \$5,000.

(12) Derivative Instruments

Objective and Terms of Hedging Derivative Instruments

Pursuant to Ohio Revised Code sections 9.835 (A), (B), and section (C) the Central Ohio Transit Authority has established an energy price risk management program to decrease the volatility of diesel fuel and natural gas cost, and increase the likelihood that actual net energy costs will remain below the budgeted cost, increase the certainty of future cost, attain a lower overall cost of fuel and natural gas in the long-term, and manage year-over-year changes in energy costs. Within this program, COTA will acquire, hold, and dispose of positions in exchange-traded futures contracts and other financial instruments including but not limited to use of futures, options, options on future, or fixed price delivery contracts. In 2023, diesel fuel futures contracts and natural gas futures contracts were utilized. The COTA Board approval limits contracts in-place to a maximum hedge ratio of up to 100% of forecast consumption, up to thirty-six (36) months into the future. The initial value of each contract is zero.

The price of diesel fuel purchased is the published Columbus, Ohio OPIS price for the week plus or minus a differential agreed to through a competitive bidding process. The price of natural gas purchased is the New York Mercantile Exchange monthly closing index plus or minus a margin agreed to through a competitive bidding process. For the year ending December 31, 2023, a loss of \$4,186 and a loss of \$230,609, respectively, was recognized as an increase in fuel expense. The realized gain/loss will change based on market prices at the time the contracts are entered into and exited. There is no debt associated with these contracts.

Composition of Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding as of December 31, 2023, classified by type, are as follows:

<u>December 31, 2023</u>	<u>Amount</u>	<u>Value</u>
Cash Flow Hedge - Diesel:		
Pay-variable, receive fixed commodity swap	252,000 gallons	\$ 12,667
Cash Flow Hedge - Natural Gas:		
Pay-variable, receive fixed commodity swap	232,500 mmbtu	\$ 264,728

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(12) Derivative Instruments – (continued)

All fair values are classified as derivative instruments on the Statements of Net Position. As these commodity futures positions are considered hedging derivatives instruments, the change in fair value is reflected within deferred outflows and inflows on the Statements of Net Position. The fair values of the commodity futures positions are based on settlement prices from the New York Mercantile Exchange on 12/29/23.

Termination Risk: So long as the Authority continues to fulfill its financial obligations to the futures contracts and the futures account as described in the account agreement, there is no termination risk associated with exchange-traded futures contracts.

Credit Risk: There is no credit risk associated with the use of exchange-traded diesel and natural gas futures contracts. On a daily basis, all outstanding futures positions are marked to market and unrealized gains/losses are settled in cash. This creates an environment where futures market participants neither owe nor are owed any monies by other market participants. As such, credit risk does not exist with the use of exchange-traded futures.

Basis Risk: Basis is the price differential between the nominal futures contract price and the price that the Authority pays for diesel fuel and natural gas from its suppliers. Basis risk is the potential unfavorable variability of this price differential. The Authority recognizes and anticipates this relatively small risk. Historically, this basis risk has had no material effect on the performance of the hedging program and is not anticipated to have any material effect on the hedging program in the future.

Interest Rate Risk, Rollover Risk, Market Access Risk, & Foreign Exchange Risk: The Authority does not experience any of these risks in conjunction with the operation of its diesel fuel and natural gas hedging programs.

(13) Leases Receivable

The Authority is reporting leases receivable of \$3,408,239. For fiscal year 2023, the Authority recognized lease revenue of \$558,186, which is reported in non-transportation and other revenue and interest revenue of \$53,064 related to the leases.

The District has entered into lease agreements for building space rental with multiple companies at varying years and terms.

The following is a schedule of future lease payments under the lease agreements:

Fiscal Year	Principal	Interest	Total
2024	\$ 482,903	\$ 46,667	\$ 529,570
2025	421,591	40,237	461,828
2026	362,200	34,501	396,701
2027	369,257	28,938	398,195
2028	378,125	23,256	401,381
2029 - 2033	<u>1,394,163</u>	<u>42,594</u>	<u>1,436,757</u>
Total	<u>\$ 3,408,239</u>	<u>\$ 216,193</u>	<u>\$ 3,624,432</u>

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(14) Long-term Obligations

Due to the implementation of GASB Statement No. 96 (See Note 3 for detail), the Authority has reported obligations for SBITA payable, which are reflected in the schedule below. During fiscal year 2023, the following activity occurred in long-term obligations:

	Restated Balance Outstanding			Balance Outstanding	Amounts Due in
	<u>01/01/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2023</u>	<u>One Year</u>
Bonds payable	\$ -	\$ 30,000,000		\$ 30,000,000	\$ 240,000
SBITA payable	752,286	-	(693,303)	58,983	8,983
Lease payable	\$ 28,169	\$ 1,972,714	\$ (1,934,963)	\$ 65,920	\$ 16,000
Total	<u>\$ 780,455</u>	<u>\$ 31,972,714</u>	<u>\$ (2,628,266)</u>	30,124,903	<u>\$ 16,000</u>
Add: Unamortized Bond Premium				1,959,601	
Total Long-Term Obligations				<u>\$ 32,084,504</u>	

The Authority has entered into lease agreements for the use of right to use vehicles. In accordance with GASB Statement No. 87, the Authority reports an intangible capital asset and corresponding liability for the future scheduled payments under the leases.

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 16,000	\$ 2,209	\$ 18,209
2025	15,412	1,676	17,088
2026	14,857	1,129	15,986
2027	13,707	568	14,275
2028	<u>5,944</u>	<u>110</u>	<u>6,054</u>
Total	<u>\$ 65,920</u>	<u>\$ 5,692</u>	<u>\$ 71,612</u>

The Authority has entered into agreements for the use of right to use software. In accordance with GASB Statement No. 96, the Authority reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreement.

The following is a schedule of future payments under the technology agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 58,983</u>	<u>\$ 1,669</u>	<u>\$ 60,652</u>

Series 2023 – General Obligation Capital Facilities Bonds

On October 3, 2023, the Authority issued \$30,000,000 in general obligation (limited tax) capital facilities bonds. The bonds were issued at a \$37,725 discount. These bonds bear an interest rate of 5.00% and mature on December 1, 2053.

CENTRAL OHIO TRANSIT AUTHORITY
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

(14) Long-term Obligations – (continued)

The following is a schedule of future bond payments:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 240,000	\$ 1,719,548	\$ 1,959,548
2025	490,000	1,468,950	1,958,950
2026	515,000	1,444,450	1,959,450
2027	540,000	1,418,700	1,958,700
2028	565,000	1,391,700	1,956,700
2029 - 2033	3,240,000	6,553,975	9,793,975
2034 - 2038	4,085,000	5,714,000	9,799,000
2039 - 2043	5,205,000	4,586,250	9,791,250
2044 - 2048	6,645,000	3,147,250	9,792,250
2049 - 2053	<u>8,475,000</u>	<u>1,312,500</u>	<u>9,787,500</u>
Total	<u>\$ 30,000,000</u>	<u>\$ 28,757,323</u>	<u>\$ 58,757,323</u>

REQUIRED SUPPLEMENTARY INFORMATION

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CENTRAL OHIO TRANSIT AUTHORITY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Authority's proportion of the net pension liability	0.46383500%	0.47961200%	0.46622000%	0.51700500%
Authority's proportionate share of the net pension liability	\$ 137,017,062	\$ 41,728,185	\$ 69,037,032	\$ 102,189,495
Authority's covered payroll	\$ 74,323,621	\$ 68,948,571	\$ 65,667,157	\$ 66,169,814
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	184.35%	60.52%	105.13%	154.44%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
Authority's proportion of the net pension asset	0.47517300%	0.51764800%	0.54124700%	
Authority's proportionate share of the net pension asset	\$ 1,119,934	\$ 2,039,559	\$ 1,562,383	
Authority's covered payroll	\$ 2,206,957	\$ 2,364,829	\$ 2,361,043	
Authority's proportionate share of the net pension asset as a percentage of its covered payroll	50.75%	86.25%	66.17%	
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	
<i>Member Directed Plan:</i>				
Authority's proportion of the net pension asset	0.60873700%	0.58722000%	0.56154200%	
Authority's proportionate share of the net pension asset	\$ 47,605	\$ 106,616	\$ 102,363	
Authority's covered payroll	\$ 4,132,500	\$ 3,679,730	\$ 4,715,250	
Authority's proportionate share of the net pension asset as a percentage of its covered payroll	1.15%	2.90%	2.17%	
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	

The Authority did not present combined plan and member directed plan until 2021. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Authority's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.40291900%	0.45430300%	0.40807000%	0.39055000%	0.36397100%	0.36397100%
\$ 110,351,252	\$ 71,271,333	\$ 92,665,735	\$ 67,648,215	\$ 43,734,920	\$ 42,862,731
\$ 60,978,236	\$ 59,997,877	\$ 52,764,617	\$ 48,887,633	\$ 44,622,933	\$ 38,340,346
180.97%	118.79%	175.62%	138.37%	98.01%	111.80%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

CENTRAL OHIO TRANSIT AUTHORITY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF AUTHORITY'S PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 10,368,225	\$ 10,405,307	\$ 9,652,800	\$ 9,193,402
Contributions in relation to the contractually required contribution	<u>(10,368,225)</u>	<u>(10,405,307)</u>	<u>(9,652,800)</u>	<u>(9,193,402)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 74,058,750	\$ 74,323,621	\$ 68,948,571	\$ 65,667,157
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 257,812	\$ 308,974	\$ 331,076	
Contributions in relation to the contractually required contribution	<u>(257,812)</u>	<u>(308,974)</u>	<u>(331,076)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 2,148,433	\$ 2,206,957	\$ 2,364,829	
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 440,030	\$ 413,250	\$ 367,973	
Contributions in relation to the contractually required contribution	<u>(440,030)</u>	<u>(413,250)</u>	<u>(367,973)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 4,400,300	\$ 4,132,500	\$ 3,679,730	
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 9,263,774	\$ 8,536,953	\$ 7,799,724	\$ 6,331,754	\$ 5,866,516	\$ 5,354,752	\$ 4,984,245
<u>(9,263,774)</u>	<u>(8,536,953)</u>	<u>(7,799,724)</u>	<u>(6,331,754)</u>	<u>(5,866,516)</u>	<u>(5,354,752)</u>	<u>(4,984,245)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 66,169,814	\$ 60,978,236	\$ 59,997,877	\$ 52,764,617	\$ 48,887,633	\$ 44,622,933	\$ 38,340,346
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

CENTRAL OHIO TRANSIT AUTHORITY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/NET OPEB ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Authority's proportion of the net OPEB liability/asset	0.47008400%	0.48510800%	0.47226100%	0.52158710%
Authority's proportionate share of the net OPEB liability/(asset)	\$ 2,963,970	\$ (15,194,325)	\$ (8,413,707)	\$ 72,044,732
Authority's covered payroll	\$ 80,663,078	\$ 74,993,130	\$ 65,667,157	\$ 66,169,814
Authority's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.67%	20.26%	12.81%	108.88%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the Authority's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
	0.40962640%	0.46136270%	0.40806990%
\$	53,405,611	\$ 50,100,594	\$ 41,216,446
\$	60,978,236	\$ 59,997,877	\$ 52,764,617
	87.58%	83.50%	78.11%
	46.33%	54.14%	54.05%

CENTRAL OHIO TRANSIT AUTHORITY

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF AUTHORITY'S OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST NINE YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 218,981	\$ 165,300	\$ 147,189	\$ -
Contributions in relation to the contractually required contribution	<u>(218,981)</u>	<u>(165,300)</u>	<u>(147,189)</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 80,607,483	\$ 80,663,078	\$ 74,993,130	\$ 65,667,157
Contributions as a percentage of covered payroll	0.27%	0.20%	0.20%	0.00%

Note: Information prior to 2015 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ -	\$ -	\$ 599,979	\$ 1,055,292	\$ 977,753
-	-	(599,979)	(1,055,292)	(977,753)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 66,169,814	\$ 60,978,236	\$ 59,997,877	\$ 52,764,617	\$ 48,887,633
0.00%	0.00%	1.00%	2.00%	2.00%

CENTRAL OHIO TRANSIT AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%.
- There were no changes in assumptions for 2018.
- For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.
- There were no changes in assumptions for 2023.

(Continued)

CENTRAL OHIO TRANSIT AUTHORITY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: 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 are 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.
- There were no changes in benefit terms from the amounts reported for 2022.
- There were no changes in benefit terms from the amounts reported for 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017.
- For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%.
- For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029.
- For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.50%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

CENTRAL OHIO TRANSIT AUTHORITY
Supplemental Schedule of Revenues, Expenses and
Changes in Net Position - Budget vs. Actual (Modified Cash Basis)
Year ended December 31, 2023

	BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES.....	\$ 12,773,000	\$ 13,313,035	\$ 540,035
OPERATING EXPENSES:			
Labor and fringe benefits.....	116,524,300	115,998,840	525,460
Materials and supplies.....	11,104,800	11,333,347	(228,547)
Fuel.....	5,006,000	4,760,016	245,984
Purchased transportation.....	14,668,000	16,081,078	(1,413,078)
Services.....	34,831,500	32,806,582	2,024,918
Utilities.....	3,625,000	3,247,632	377,368
Capital outlay.....	87,664,000	68,485,490	19,178,510
Miscellaneous.....	7,776,900	4,196,724	3,580,176
Total operating expenses.....	<u>281,200,500</u>	<u>256,909,709</u>	<u>24,290,791</u>
OPERATING LOSS.....	<u>(268,427,500)</u>	<u>(243,596,674)</u>	<u>24,830,826</u>
NON-OPERATING REVENUES (EXPENSES):			
Sales tax revenues.....	168,555,000	174,845,842	6,290,842
Federal, State and Local Assistance.....	22,161,000	3,063,531	(19,097,469)
Non-operating project expense.....	-	(7,055,607)	(7,055,607)
Non-transportation and other revenues.....	27,903,000	45,634,990	17,731,990
Total.....	<u>218,619,000</u>	<u>216,488,756</u>	<u>(2,130,244)</u>
Change before capital grants.....	(49,808,500)	(27,107,918)	22,700,582
CAPITAL GRANT REVENUE:			
Federal, state, local.....	30,000,000	35,280,662	5,280,662
Total.....			
CHANGE IN NET POSITION.....	<u>(19,808,500)</u>	<u>8,172,744</u>	<u>27,981,244</u>
BUDGETARY NET POSITION, BEGINNING OF YEAR.....	<u>630,280,197</u>	<u>630,280,197</u>	<u>-</u>
BUDGETARY NET POSITION, END OF YEAR.....	<u>\$ 610,471,697</u>	<u>\$ 638,452,941</u>	<u>\$ 27,981,244</u>

Note to Supplemental Schedule:

COTA adopts its annual budget on a modified cash basis prior to the start of each year. Pension expense reported by COTA on the Statement of Revenues, Expenses and Change in Net Position contains an allocation of COTA's proportionate share of the State-wide pension system's pension/OPEB expense (with the exception of current year contributions) which is not anticipated in the operating budget adopted or accounted for within the general ledger accounts throughout the year, and therefore the NPL/OPEB related items are not included within the budgetary net position amounts. In addition, various accrual items, including grants receivable and capital assets are accounted for on a cash basis for budgetary purposes. The budget also excludes self insurance activity, which is reported separately for budget purposes.

The table that follows demonstrates the difference between the Budgeted Revenues, Expenses and Change in Net Position:

Change in Net Position, GAAP Basis	\$ 19,638,213
<i>Budgeting Difference:</i>	
Effect of conversion from modified cash to GAAP	(8,951,069)
Activity of funds not budgeted	(2,514,400)
Change in Net Position, Budgetary Basis	<u>\$ 8,172,744</u>

STATISTICAL DATA



"DO NOT DRILL HERE"
ELECTRICAL CABLES

COTA



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**CENTRAL OHIO TRANSIT AUTHORITY
STATISTICAL SECTION**

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

<u>Table of Contents</u>	<u>Page</u>
Financial Trends and Revenue Capacity These schedules indicate how the Authority's performance and conditions have changed over a ten year time frame. Also contained in these schedules is information to help the reader understand the Authority's most significant revenue sources.	76-84
Debt Capacity These schedules indicate COTA specific debt service information as well as direct and overlapping debt computations from Franklin County.	85-87
Economic and Demographic Information These schedules contain economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.	88-90
Operating Information These schedules contain data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.	91-95

CENTRAL OHIO TRANSIT AUTHORITY
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET POSITION										
Net Investment in Capital Assets	\$ 208,365,365	\$ 221,585,618	\$ 217,487,368	\$ 240,968,475	\$ 223,016,793	\$ 235,687,233	\$ 264,073,768	\$ 287,349,366	\$ 317,728,548	\$ 328,482,540
Restricted	-	-	-	-	-	-	-	-	-	1,167,539
Unrestricted	119,832,630	143,667,031	162,736,122	160,566,904	112,666,612	82,978,891	71,575,604	254,434,200	257,704,561	265,421,243
TOTAL NET POSITION	<u>\$ 328,197,995</u>	<u>\$ 365,252,649</u>	<u>\$ 380,223,490</u>	<u>\$ 401,535,379</u>	<u>\$ 335,683,405</u>	<u>\$ 318,666,124</u>	<u>\$ 335,649,372</u>	<u>\$ 541,783,566</u>	<u>\$ 575,433,109</u>	<u>\$ 595,071,322</u>

* GASB 68 implemented in 2015.

* GASB 75 implemented in 2018.

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis
Source: The Authority's independently audited annual financial statements

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Passenger fares for transit service	\$ 20,130	\$ 19,137	\$ 18,663	\$ 18,816	\$ 18,577	\$ 18,209	\$ 4,166	\$ 10,275	\$ 11,055	\$ 12,569
Special transit fares	781	879	862	872	845	823	200	619	583	511
Auxiliary transportation revenue	-	-	-	-	-	-	-	-	-	-
Total operating revenues	20,911	20,016	19,525	19,688	19,422	19,032	4,366	10,894	11,638	13,080
OPERATING EXPENSES OTHER THAN DEPRECIATION										
Labor	43,216	46,537	51,926	57,546	59,790	64,771	63,664	79,932	80,185	83,004
Fringe Benefits	28,402	29,517	35,781	47,906	52,983	56,783	69,145	(28,742)	4,091	31,225
Services	7,269	8,190	10,286	11,254	10,904	14,506	18,811	20,124	22,537	32,516
Materials and Supplies	7,372	8,256	9,041	10,385	11,568	13,003	10,991	10,592	10,976	11,272
Fuel	8,536	6,806	4,946	3,785	5,279	5,604	3,498	3,678	4,057	5,117
Utilities	2,179	2,099	2,038	2,267	2,888	2,713	2,556	3,117	3,693	3,386
Claims and Insurance	246	150	57	178	241	469	595	355	43	1,111
Taxes	860	814	750	778	768	872	760	589	406	361
Purchased transportation	7,652	7,742	7,822	7,669	7,869	8,779	10,631	9,149	12,535	15,063
Leases and rentals	184	175	186	173	156	173	206	147	88	51
Miscellaneous	1,278	1,653	1,992	2,278	2,391	2,553	1,826	2,067	3,022	3,921
Total	107,194	111,939	124,825	144,219	154,837	170,226	182,683	101,008	141,633	187,027
Depreciation	22,094	24,469	25,376	27,673	29,451	29,500	30,556	32,960	35,825	37,269
Total operating expenses	129,288	136,408	150,201	171,892	184,288	199,726	213,239	133,968	177,458	224,296
OPERATING LOSS	(108,377)	(116,392)	(130,676)	(152,204)	(164,866)	(180,694)	(208,873)	(123,074)	(165,820)	(211,216)
NON-OPERATING REVENUES(EXPENSES)										
Sales Tax Revenues	118,663	125,163	131,794	129,143	131,383	135,702	133,700	158,739	171,039	174,868
Federal operating grants and reimbursements	22	267	562	113	395	436	50,602	144,901	1,391	710
State and local operating grants, reimbursements and special fare assistance	745	619	596	8,007	1,868	748	2,039	4,829	3,319	3,208
Fair value adjustment	-	-	-	-	-	-	-	(1,361)	(11,779)	7,610
Investment income	384	274	907	1,594	3,311	3,976	1,188	337	2,365	6,541
Non-transportation and other revenue	933	952	971	979	1,221	1,557	1,792	945	7,104	5,996
Regional transit subsidy	(1,072)	(240)	(1,508)	(1,038)	(953)	(3,585)	(2,242)	(4,024)	(1,475)	(1,970)
Non-operating project expense	-	-	(1,216)	(4,409)	(668)	(289)	(461)	(74)	-	(10)
Gain(Loss) on sale of capital assets	(30)	22	(289)	(692)	(374)	(75)	(1,010)	(844)	(115)	(1,053)
Total non-operating revenues(expenses)	119,645	127,057	131,817	133,697	136,183	138,470	185,608	303,448	171,849	195,900
Gain(Loss) before capital grants and special item	11,268	10,665	1,141	(18,507)	(28,683)	(42,224)	(23,265)	180,374	6,028	(15,317)
CAPITAL GRANT REVENUES										
Federal	22,926	26,389	13,830	36,247	3,319	25,015	38,080	20,505	25,487	30,944
State / Local	-	-	-	3,572	128	192	2,168	5,255	2,135	4,012
Total	22,926	26,389	13,830	39,819	3,447	25,207	40,248	25,760	27,622	34,956
CHANGES IN NET POSITION										
NET POSITION, BEGINNING OF YEAR	331,325	328,198	365,252	380,223	401,535	335,683	318,666	335,649	541,783	575,433
Restatement, GASB 68	(37,321)	-	-	-	-	-	-	-	-	-
Restatement, GASB 75	-	-	-	-	(40,616)	-	-	-	-	-
NET POSITION, END OF YEAR	\$ 328,198	\$ 365,252	\$ 380,223	\$ 401,535	\$ 335,683	\$ 318,666	\$ 335,649	\$ 541,783	\$ 575,433	\$ 595,072

* GASB 68 implemented in 2015.

* GASB 75 implemented in 2018.

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis
Source: The Authority's independently audited annual financial statements

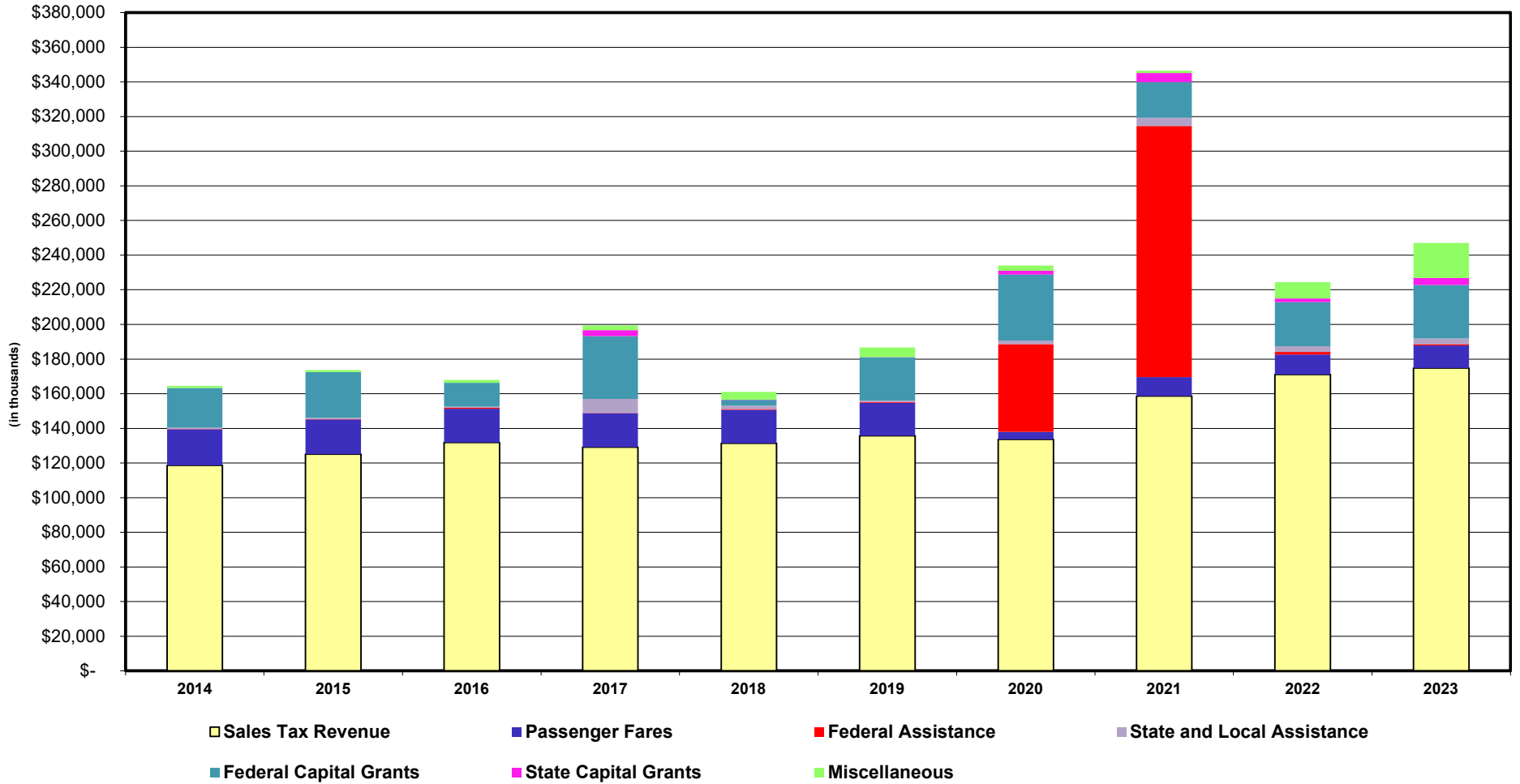
CENTRAL OHIO TRANSIT AUTHORITY
Revenues by Source
Last Ten Fiscal Years
(in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
OPERATING REVENUES:										
Passenger fares for transit service	\$ 20,130	\$ 19,137	\$ 18,663	\$ 18,816	\$ 18,577	\$ 18,209	\$ 4,166	\$ 10,275	\$ 11,055	\$ 12,569
Special transit fares	781	879	862	872	845	823	200	619	583	511
Total operating revenues	<u>20,911</u>	<u>20,016</u>	<u>19,525</u>	<u>19,688</u>	<u>19,422</u>	<u>19,032</u>	<u>4,366</u>	<u>10,894</u>	<u>11,638</u>	<u>13,080</u>
NON-OPERATING REVENUES:										
Sales tax revenues	118,663	125,163	131,794	129,143	131,383	135,702	133,700	158,739	171,039	174,868
Federal operating grants	22	267	562	113	395	436	50,602	144,901	1,391	710
State operating grants, reimbursements and special fare assistance	745	619	597	8,007	1,868	748	2,039	4,829	3,319	3,208
Investment income and fair value.....	384	274	907	1,594	3,311	3,976	1,188	337	2,365	14,151
Non-transportation and other revenues	933	952	971	979	1,221	1,557	1,792	945	7,104	5,996
Total nonoperating revenues before capital gifts and grants.....	<u>120,747</u>	<u>127,275</u>	<u>134,831</u>	<u>139,836</u>	<u>138,178</u>	<u>142,419</u>	<u>189,321</u>	<u>309,751</u>	<u>185,218</u>	<u>198,933</u>
Capital gifts and grants:										
Federal capital grants.....	22,926	26,389	13,830	36,247	3,319	25,015	38,080	20,505	25,487	30,944
State and other capital grants.....	-	-	-	3,572	128	192	2,168	5,255	2,135	4,012
Total non-operating revenues.....	<u>143,673</u>	<u>153,664</u>	<u>148,661</u>	<u>179,655</u>	<u>141,625</u>	<u>167,626</u>	<u>229,569</u>	<u>335,511</u>	<u>212,840</u>	<u>233,889</u>
TOTAL REVENUES	<u>\$ 164,584</u>	<u>\$ 173,680</u>	<u>\$ 168,186</u>	<u>\$ 199,343</u>	<u>\$ 161,047</u>	<u>\$ 186,658</u>	<u>\$ 233,935</u>	<u>\$ 346,405</u>	<u>\$ 224,478</u>	<u>\$ 246,969</u>

Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis.
Source: The Authority's independently audited annual financial statements

CENTRAL OHIO TRANSIT AUTHORITY

Revenues by Source
Last Ten Fiscal Years



CENTRAL OHIO TRANSIT AUTHORITY

Revenues and Operating Assistance - Comparison to Industry Trend Data Last Ten Fiscal Years

TRANSPORTATION INDUSTRY (1)

<u>YEAR</u>	<u>OPERATING AND OTHER REVENUE</u>			<u>OPERATING ASSISTANCE</u>			<u>TOTAL ALL REVENUES</u>
	<u>PASSENGER</u>	<u>OTHER</u>	<u>TOTAL</u>	<u>STATE & LOCAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>	
2014	32.0%	10.8%	42.8%	48.6%	8.6%	57.2%	100.0%
2015	32.5%	11.6%	44.1%	47.6%	8.3%	55.9%	100.0%
2016	31.3%	11.8%	43.1%	48.9%	8.0%	56.9%	100.0%
2017	31.4%	11.8%	43.2%	48.3%	8.5%	56.8%	100.0%
2018	30.7%	11.5%	42.2%	49.2%	8.6%	57.8%	100.0%
2019	29.5%	12.7%	42.2%	49.9%	7.9%	57.8%	100.0%
2020	16.6%	10.2%	26.8%	46.7%	26.5%	73.2%	100.0%
2021	*	*	*	*	*	*	*
2022	*	*	*	*	*	*	*
2023	*	*	*	*	*	*	*

CENTRAL OHIO TRANSIT AUTHORITY (2)

<u>YEAR</u>	<u>OPERATING AND OTHER REVENUE</u>			<u>OPERATING ASSISTANCE</u>			<u>TOTAL ALL REVENUES</u>
	<u>PASSENGER</u>	<u>OTHER</u> (3)	<u>TOTAL</u>	<u>STATE & LOCAL</u> (4)	<u>FEDERAL</u>	<u>TOTAL</u>	
2014	12.2%	14.7%	26.9%	73.1%	0.0%	73.1%	100.0%
2015	11.0%	15.9%	26.9%	72.9%	0.2%	73.1%	100.0%
2016	11.1%	9.3%	20.4%	79.3%	0.3%	79.6%	100.0%
2017	9.4%	21.3%	30.7%	69.2%	0.1%	69.3%	100.0%
2018	11.5%	5.0%	16.5%	83.3%	0.2%	83.5%	100.0%
2019	9.8%	16.5%	26.3%	73.5%	0.2%	73.7%	100.0%
2020	1.8%	18.5%	20.3%	58.1%	21.6%	79.7%	100.0%
2021	3.0%	7.8%	10.8%	47.4%	41.8%	89.2%	100.0%
2022	4.9%	16.5%	21.4%	78.0%	0.6%	78.6%	100.0%
2023	5.1%	22.3%	27.4%	72.3%	0.3%	72.6%	100.0%

* Information not available

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

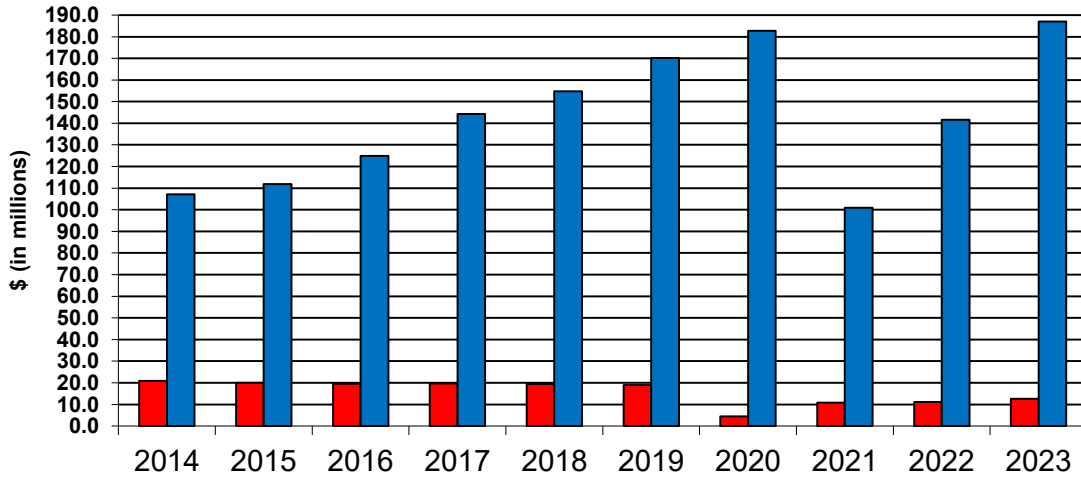
(2) Percentages are derived from the Authority's independently audited annual financial statements.

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

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

CENTRAL OHIO TRANSIT AUTHORITY

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

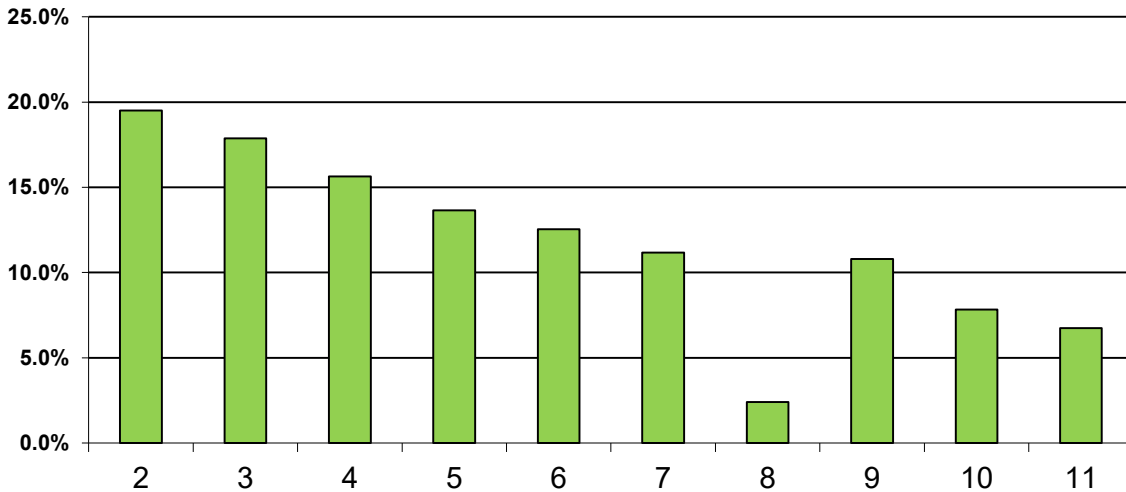


Farebox revenues include passenger, special transit, and charter revenues;
operating expenses exclude depreciation

■ Farebox Revenues ■ Operating Expenses

CENTRAL OHIO TRANSIT AUTHORITY

**Farebox Recovery Ratio
Last Ten Fiscal Years**



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

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

OPERATING EXPENSES OTHER THAN DEPRECIATION:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Labor	\$ 43,216	\$ 46,537	\$ 51,926	\$ 57,546	\$ 59,790	\$ 64,771	\$ 63,664	\$ 79,932	\$ 80,185	\$ 83,004
Fringe benefits	28,402	29,517	35,781	47,906	52,983	56,783	69,145	(28,742)	4,091	31,225
Services	7,269	8,190	10,286	11,254	10,904	14,506	18,811	20,124	22,537	32,516
Materials and supplies	7,372	8,256	9,041	10,385	11,568	13,003	10,991	10,592	10,976	11,272
Fuel.....	8,536	6,806	4,946	3,785	5,279	5,604	3,498	3,678	4,057	5,117
Utilities	2,179	2,099	2,038	2,267	2,888	2,713	2,556	3,117	3,693	3,386
Claims and insurance	246	150	57	178	241	469	595	355	43	1,111
Taxes	860	814	750	778	768	872	760	589	406	361
Purchased transportation	7,652	7,742	7,822	7,669	7,869	8,779	10,631	9,149	12,535	15,063
Leases and rentals	184	175	186	173	156	173	206	147	88	51
Miscellaneous	1,278	1,653	1,992	2,278	2,391	2,553	1,826	2,067	3,022	3,921
Total	107,194	111,939	124,825	144,219	154,837	170,226	182,683	101,008	141,633	187,027
DEPRECIATION	22,094	24,469	25,376	27,673	29,451	29,500	30,556	32,960	35,825	37,269
Total operating expenses	129,288	136,408	150,201	171,892	184,288	199,726	213,239	133,968	177,458	224,297
NONOPERATING EXPENSES:										
Loss on sale of capital assets	30	(22)	289	692	374	75	1,010	844	115	1,053
Fair value adjustment	-	-	-	-	-	-	-	1,361	11,779	-
Non-operating project expense	-	-	1,216	4,409	668	289	461	74	-	10
Regional transit subsidy	1,072	240	1,508	1,038	953	3,585	2,242	4,024	1,475	1,970
TOTAL EXPENSES	\$ 130,390	\$ 136,626	\$ 153,214	\$ 178,031	\$ 186,283	\$ 203,675	\$ 216,952	\$ 140,271	\$ 190,827	\$ 227,330

* GASB 68 implemented in 2015.

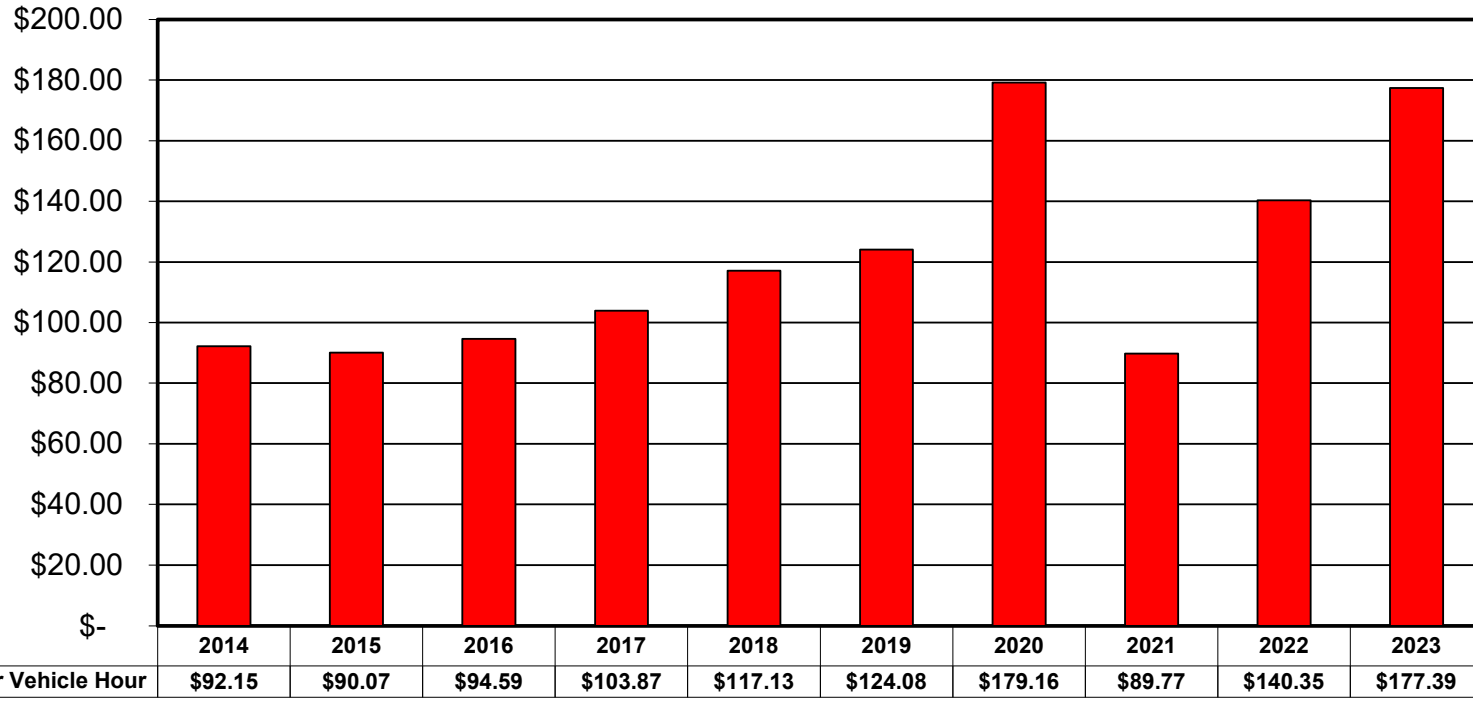
* GASB 75 implemented in 2018.

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

Source: The Authority's independently audited annual financial statements

CENTRAL OHIO TRANSIT AUTHORITY

Operating Expenses per Vehicle Hour
Last Ten Fiscal Years



Operating expenses exclude depreciation

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

TRANSPORTATION INDUSTRY ⁽¹⁾

<u>YEAR</u>	<u>LABOR AND FRINGES</u>	<u>SERVICES</u>	<u>MATERIALS AND SUPPLIES</u>	<u>UTILITIES</u>	<u>CLAIMS AND INSURANCE</u>	<u>PURCHASED TRANS-PORTATION</u>	<u>OTHER</u>	<u>TOTAL OPERATING EXPENSES</u>
2014	61.1%	6.9%	11.0%	3.2%	2.5%	13.6%	1.7%	100.0%
2015	61.5%	7.3%	9.8%	3.0%	2.4%	14.2%	1.8%	100.0%
2016	62.6%	7.6%	8.9%	2.7%	2.7%	13.7%	1.6%	100.0%
2017	61.9%	8.1%	8.7%	2.8%	2.8%	14.2%	1.6%	100.0%
2018	61.5%	8.3%	8.7%	2.9%	2.6%	14.5%	1.5%	100.0%
2019	60.9%	8.8%	8.5%	2.7%	2.7%	15.0%	1.4%	100.0%
2020	62.0%	9.2%	7.7%	2.6%	2.4%	15.1%	1.1%	100.0%
2021	62.2%	9.5%	7.5%	2.7%	2.8%	14.3%	1.1%	100.0%
2022	*	*	*	*	*	*	*	*
2023	*	*	*	*	*	*	*	*

CENTRAL OHIO TRANSIT AUTHORITY ⁽²⁾

<u>YEAR</u>	<u>LABOR AND FRINGES</u>	<u>SERVICES</u>	<u>MATERIALS AND SUPPLIES</u>	<u>UTILITIES</u>	<u>CLAIMS AND INSURANCE</u>	<u>PURCHASED TRANS-PORTATION</u>	<u>OTHER</u>	<u>TOTAL OPERATING EXPENSES ⁽³⁾</u>
2014	66.8%	6.8%	14.8%	2.0%	0.2%	7.1%	2.3%	100.0%
2015	67.9%	7.3%	13.5%	1.9%	0.1%	6.9%	2.4%	100.0%
2016	70.3%	8.2%	11.2%	1.6%	0.0%	6.3%	2.4%	100.0%
2017	73.1%	7.8%	9.8%	1.6%	0.1%	5.3%	2.3%	100.0%
2018	72.8%	7.0%	10.9%	1.9%	0.2%	5.1%	2.1%	100.0%
2019	71.4%	8.5%	10.9%	1.6%	0.3%	5.2%	2.1%	100.0%
2020	72.7%	10.3%	7.9%	1.4%	0.3%	5.8%	1.6%	100.0%
2021	50.7%	19.9%	14.1%	3.1%	0.4%	9.1%	2.7%	100.0%
2022	59.5%	15.9%	10.6%	2.6%	0.0%	8.9%	2.5%	100.0%
2023	61.1%	17.4%	8.8%	1.8%	0.6%	8.1%	2.2%	100.0%

* Information not available

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

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

(3) Total operating expenses exclude depreciation

CENTRAL OHIO TRANSIT AUTHORITY
Legal Debt Margin
December 31, 2023

CALCULATION OF LEGAL OVERALL DEBT MARGIN:

Total assessed property valuation of Authority (2022 tax year valuation) (1)	\$ 41,544,184,910
Multiplied by: Legal overall debt limitation (%)	5.00%
Equals: Total legal voted and unvoted debt limitation	\$ 2,077,209,246
Less: Nonexempt general obligation debt (voted and unvoted)	\$ (30,000,000)
Equals: Legal overall debt margin (maximum amount permitted for new voted and unvoted nonexempt general obligation debt issuances)	\$ 2,047,209,246

CALCULATION OF LEGAL UNVOTED DEBT MARGIN:

Total assessed property valuation of Authority (2022 tax year valuation) (1)	\$ 41,544,184,910
Multiplied by: Legal unvoted debt limitation (%)	0.10%
Equals: Legal unvoted debt limitation	\$ 41,544,185
Less: Maximum aggregate amounts of principal and interest payable in any one calendar year	\$ (1,961,250)
Equals: Legal unvoted debt margin (maximum annual debt service charges permitted for new unvoted nonexempt general obligation debt issuances).....	\$ 39,582,935

(1) Source: Franklin County Auditor's Office

CENTRAL OHIO TRANSIT AUTHORITY
Ratio of Outstanding Debt to Assessed Value and
Outstanding Debt per Capita
Last Ten Fiscal Years

<u>YEAR</u>	<u>POPULATION</u> (1)	<u>ASSESSED VALUE</u> (2)	<u>LEASES</u>	<u>SBITA'S</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>TOTAL OUTSTANDING DEBT</u>	<u>RATIO OF DEBT TO ASSESSED VALUE</u>	<u>DEBT PER CAPITA</u>
2014	1,231,393	\$ 27,221,010,540	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2015	1,251,722	\$ 27,907,630,030	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2016	1,264,518	\$ 27,990,535,515	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2017	1,269,998	\$ 31,177,066,170	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2018	1,291,981	\$ 31,535,400,220	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2019	1,316,756	\$ 31,952,055,140	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2020	1,316,756	\$ 37,704,961,770	\$ -	\$ -	\$ -	\$ -	0.00%	\$0.00
2021	1,323,807	\$ 38,589,370,190	\$ 1,054,684	\$ -	\$ -	\$ 1,054,684	0.00%	\$0.80
2022	1,323,807	\$ 39,385,072,430	\$ 28,169	\$ 752,286	\$ -	\$ 780,455	0.00%	\$0.59
2023	1,323,807	\$ 41,544,184,910	\$ 65,920	\$ 58,983	\$ 31,959,601	\$ 32,084,504	0.08%	\$24.24

* Information not available

(1) U. S. Census Bureau

(2) Source: Franklin County Auditor's Office

CENTRAL OHIO TRANSIT AUTHORITY
Computation of Direct and Overlapping General Obligation Debt
December 31, 2023

Franklin County Total Value	\$39,391,227,990
Licking County (City of Reynoldsburg)	\$352,743,800
Delaware County (Westerville, Columbus and Dublin)	\$1,344,049,540
Fairfield County (Columbus and Reynoldsburg)	\$228,030,100
Union County (City of Dublin)	\$228,133,480

***Assessed Value for COTA = \$ 41,544,184,910**

*The above amounts are all less Tangible Personal

Political Subdivision	General Obligation Debt	Percentage Applicable to COTA	Amount Applicable to COTA
COTA	31,959,601	100.0%	31,959,601
1 Counties With Overlapping:			
Delaware	34,767,266	17.54%	6,098,178
Fairfield	23,290,000	5.22%	1,215,738
Franklin	84,805,355	99.99%	84,796,874
Licking	26,180,000	4.56%	1,193,808
Union	37,795,000	8.16%	3,084,072
Cities wholly within COTA			
Cities with Overlapping:			
Canal Winchester City	5,330,000	95.55%	5,092,815
Powell City	4,740,000	1.78%	84,372
Villages wholly within COTA			
Villages with Overlapping:			
	0		0
	0		0
Townships wholly within COTA			
Townships with Overlapping:			
Genoa Township	3,595,000	0.33%	11,864
Madison Township	840,000	99.66%	837,144
Violet Township	7,995,000	4.31%	344,585
School Districts wholly within COTA			
School Districts with Overlapping:			
Dublin City S.D.	219,386,671	88.55%	194,266,897
Reynoldsburg City S.D.	55,199,987	98.75%	54,509,987
South-Western City S.D.	185,779,962	99.83%	185,464,136
Westerville City S.D.	110,990,000	76.98%	85,440,102
Buckeye Valley SD	35,120,000	38.36%	13,450,960
Canal Winchester Local S.D.	28,136,000	74.75%	21,031,660
Jonathan Alder Local S.D.	9,535,000	1.38%	131,583
Licking Heights Local S.D.	133,345,000	48.52%	64,698,994
New Albany-Plain Local S.D.	58,956,196	99.97%	58,938,509
Olentangy Local S.D.	384,289,503	10.65%	40,926,832
Pickerington Local S.D.	138,706,000	13.71%	19,016,593
Southwest Licking S.d	70,760,000	0.05%	35,380
Teays Valley Local S.D.	16,750,000	0.32%	53,600
Tolles Joint Vocational S.D.	759,471	75.59%	574,084
Special District with Overlapping:			
Columbus State Community College	112,910,000	99.99%	112,898,709
New Albany Plain Local Park District	42,750,000	99.97%	42,737,175
Solid Waste Authority of Central Ohio	51,120,000	99.61%	50,920,632
West Licking Fire District	10,275,000	16.44%	1,689,210
Total			<u><u>5,073,493,313</u></u>

Source: Ohio Municipal Advisory Council database

- Notes: 1. Percentage applicable to COTA equals the Franklin County value of the political subdivision divided by the total valuation. TY2021/CY2022 values are used.
2. General Obligation debt includes Limited and Unlimited issues except for City of Columbus (Limited only)

CENTRAL OHIO TRANSIT AUTHORITY
Demographic Statistics
Last Ten Fiscal Years

<u>YEAR</u>	<u>POPULATION</u>	<u>PER CAPITA INCOME</u>	<u>MEDIAN AGE</u>	<u>K - 12 SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>
	(1)	(2)	(1)	(3)	(4)
2014	1,231,393	\$45,158	33.8	218,349	4.8%
2015	1,251,722	\$46,949	34.0	220,090	4.1%
2016	1,264,518	\$48,150	34.0	233,148	4.0%
2017	1,269,998	\$48,199	33.9	226,996	3.6%
2018	1,291,981	\$49,448	33.4	172,106	3.8%
2019	1,316,756	\$51,644	34.1	182,800	3.5%
2020	1,316,756	\$55,294	34.1	188,938	7.4%
2021	1,321,414	\$58,689	36.4	170,605	2.9%
2022	1,323,807	\$59,473	32.4	168,873	3.4%
2023	1,323,807	*	34.9	167,200	3.2%

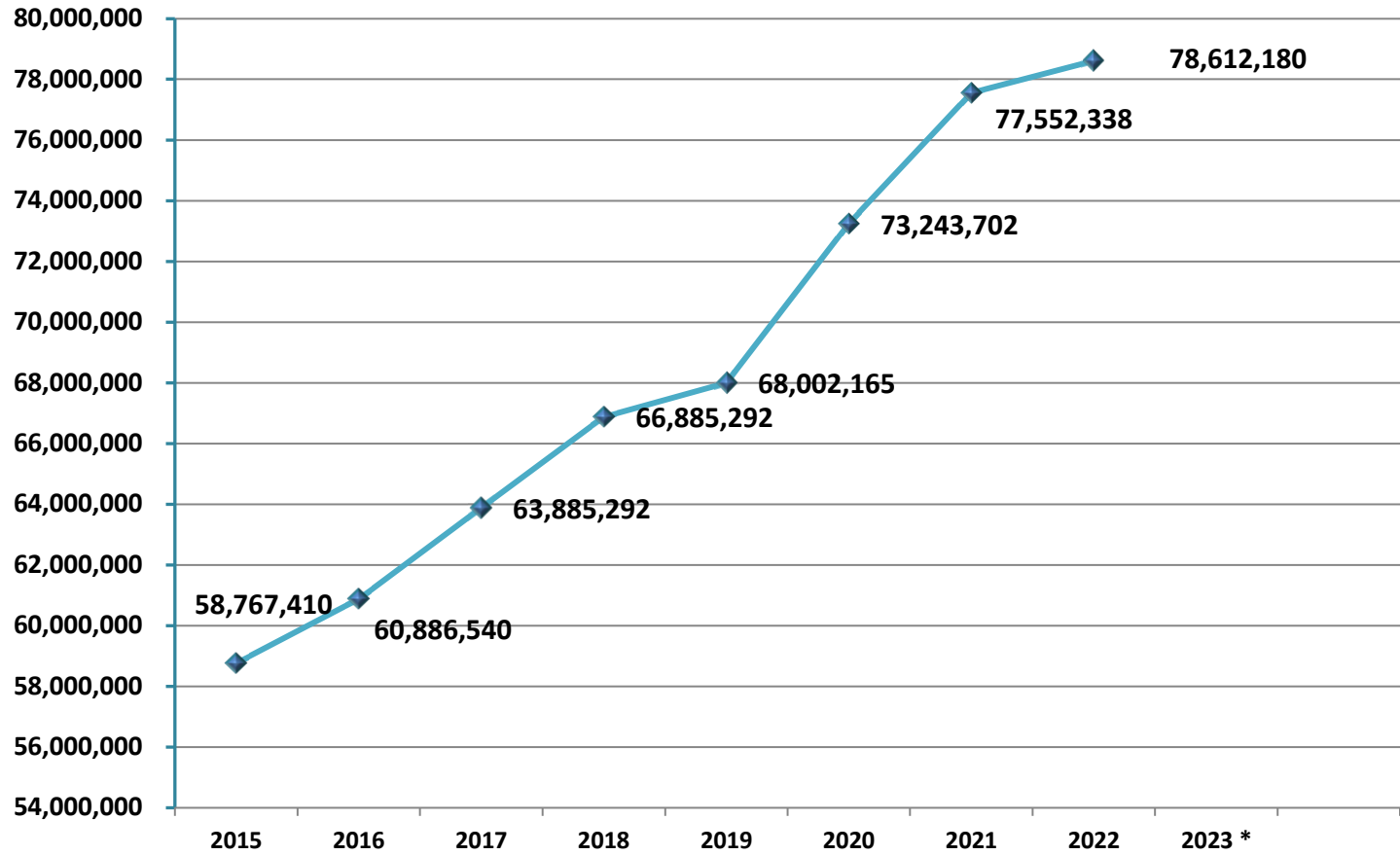
Note: All information presented is for Franklin County

* Information not available

Sources:

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

CENTRAL OHIO TRANSIT AUTHORITY
Personal Income Of Franklin County, Ohio
2015-2023
(in thousands)



* 2023 information unavailable

Source: U.S. Bureau of Economic Analysis

CENTRAL OHIO TRANSIT AUTHORITY
Largest Employers
Ranked by Number of Central Ohio Employees

Rank	Name of Employer (1)	FTE 2023	% of Total	Rank	Name of Employer (2)	FTE 2014	% of Total
1	Ohio State University	34,661	21.51%	1	Ohio State University	28,710	19.30%
2	State of Ohio	23,410	14.53%	2	State of Ohio	23,692	15.93%
3	Ohio Health	21,950	13.62%	3	JP Morgan Chase Bank	20,475	13.77%
4	JP Morgan Chase & Co	18,600	11.54%	4	OhioHealth	19,652	13.21%
5	Nationwide Children's Hospital	14,242	8.84%	5	Nationwide	12,433	8.36%
6	Nationwide	11,000	6.83%	6	Kroger Co.	11,068	7.44%
7	Kroger	10,925	6.78%	7	Mount Carmel Health System	8,362	5.62%
8	Amazon	9,262	5.75%	8	Nationwide Children's Hospital	8,243	5.54%
9	City of Columbus	8,855	5.50%	9	Columbus City Schools	8,195	5.51%
10	Columbus City Schools	8,235	5.11%	10	Honda North America Inc.	7,900	5.31%

Source: (1) City of Columbus AFCR 2023 Table 22, Business First Book of List 2023
(2) Central Ohio Transit Authority

CENTRAL OHIO TRANSIT AUTHORITY
Fare Rate Structure
December 31, 2023

Fixed Route System	Non-ABS users	Mobile/Smart card users
Standard	\$ 2.00	\$2.00 but capped for the day at \$4.50; \$62.00 for the month
Standard (Discount)	\$ 1.00	\$1.00 but capped for the day at \$2.25; \$31.00 for the month
Transfers	2 hours, no directional limitation	2 hours, no directional limitations
Pass Rates	Non-ABS users	Mobile/Smart card users
Day Pass	\$ 4.50	n/a; System will automatically cap at \$4.50
Day Pass (Discount)	\$ 2.25	n/a; System will automatically cap at \$2.25
31-Day Pass	\$ 62.00	n/a; System will automatically cap at \$62.00
31-Day Pass (Discount)	\$ 31.00	n/a; System will automatically cap at \$31.00
Mainstream		
Standard	\$ 3.50	
On-Demand	\$1.00 per mile; \$5.00 minimum	
Monthly Pass	\$ 105.00	
Other		
Summer Youth Pass (June 1-August 31)	\$ 62.00	
Discount Eligibility	Seniors (Age 65 or older) Persons with disabilities Medicare card holders Veterans Children ages 5-12 Income Assistance Program	
No Fare Eligibility	with ADA Card Children under 5	

CENTRAL OHIO TRANSIT AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020 ⁽²⁾	2021 ⁽²⁾	2022	2023
SYSTEM RIDERSHIP										
Motor bus.....	19,041,382	18,920,014	18,549,436	18,401,546	18,913,789	19,146,510	10,322,492	8,950,542	9,833,902	11,128,906
Demand responsive.....	285,817	282,515	278,410	287,242	291,455	288,690	163,460	191,672	214,164	397,584
AVERAGE WEEKDAY SYSTEM RIDERSHIP										
Motor bus.....	63,050	62,356	60,884	59,344	60,419	59,929	32,968	26,790	31,011	34,599
Demand responsive.....	935	908	898	925	955	952	520	610	697	785
VEHICLE MILES OPERATED										
Motor bus.....	13,258,367	14,259,176	15,349,203	16,244,761	16,812,732	16,845,736	12,696,687	14,386,214	12,852,013	11,636,862
Demand responsive.....	3,771,044	4,015,143	3,995,913	4,009,363	4,064,420	3,734,748	2,545,985	2,930,478	3,232,003	4,224,711
AVERAGE WEEKDAY VEHICLE MILES OPERATED										
Motor bus.....	42,354	44,991	49,431	49,897	47,981	49,963	31,208	40,019	36,127	32,894
Demand responsive.....	12,385	12,772	12,757	12,976	13,037	13,015	8,074	9,248	10,612	13,550
REVENUE MILES										
Motor bus.....	10,590,852	11,443,670	12,298,599	13,036,419	13,619,995	13,837,591	10,730,308	12,177,964	10,802,429	10,054,830
Demand responsive.....	3,382,851	3,495,999	3,479,659	3,561,049	3,551,774	3,511,803	2,163,535	2,550,386	2,858,398	3,716,975
PASSENGER MILES										
Motor bus.....	72,744,981	71,677,603	71,088,866	68,304,612	73,617,347	74,351,658	40,149,895	36,238,372	40,503,499	48,130,550
Demand responsive.....	2,922,005	2,975,485	3,000,810	3,197,946	3,031,477	3,017,345	1,914,788	2,279,557	2,507,446	3,151,021

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

(2) The COVID-19 pandemic significantly affected the amount of transportation provided during 2020 and 2021 by the Authority

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

	2014	2015	2016	2017	2018	2019	2020 ⁽²⁾	2021 ⁽²⁾	2022	2023
VEHICLE HOURS OPERATED ⁽¹⁾										
Motor bus.....	974,096	1,045,171	1,118,776	1,181,768	1,231,077	1,231,478	458,717	1,078,542	916,921	850,428
Demand responsive.....	189,120	197,621	200,845	206,660	204,958	212,724	150,828	159,470	176,857	237,943
VEHICLE REVENUE HOURS ⁽¹⁾										
Motor bus.....	879,037	948,248	1,013,167	1,072,219	1,116,957	1,143,058	426,011	984,895	853,258	802,617
Demand responsive.....	172,145	178,038	179,841	180,302	182,865	188,272	130,001	140,355	155,896	193,919
DIESEL, BIODIESEL, CNG, ELECTRIC AND GASOLINE FUEL USAGE (IN GALLONS)..... ⁽¹⁾										
	3,339,858	3,649,358	3,851,735	4,019,151	4,238,228	4,516,409	3,404,055	4,446,521	4,266,660	2,829,803
FLEET REQUIREMENTS (DURING PEAK HOURS) ⁽¹⁾										
Motor bus.....	275	284	295	297	268	269	200	236	206	189
Demand responsive.....	68	77	64	60	60	62	47	47	64	79
TOTAL REVENUE VEHICLES DURING PERIOD ⁽¹⁾										
Motor bus.....	336	341	354	357	322	322	322	354	317	315
Demand responsive.....	74	78	72	60	72	77	89	95	95	101
NUMBER OF EMPLOYEES ⁽¹⁾										
	924	951	1,004	1,122	1,188	1,186	1,122	1,167	1,102	1,164

Source:

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

(2) The COVID-19 pandemic significantly affected the amount of transportation provided during 2020 and 2021 by the Authority

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

CLASSIFICATION	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
VEHICLE OPERATIONS	647	680	721	775	843	788	768	768	681	724
VEHICLE MAINTENANCE	123	125	130	171	173	182	168	183	185	175
NON-VEHICLE MAINTENANCE	28	27	29	31	30	28	28	29	30	50
GENERAL ADMINISTRATION	126	119	124	145	142	188	158	187	206	215
TOTAL LABOR	924	951	1004	1122	1188	1186	1122	1167	1102	1164

Source:

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

CENTRAL OHIO TRANSIT AUTHORITY
Miscellaneous Statistics
For the Year ended December 31, 2023

Date of creation of Authority by local county and municipal governments	February 17, 1971
Date of acquisition of assets of Columbus Transit Company (C.T.C.)	June 29, 1973
Date of commencement of Authority operations	January 1, 1974
Form of government	Board of Trustees, with fulltime President/CEO
Number of Trustees	13
County in which Authority operates	Franklin County and small portions of adjacent Delaware, Fairfield, Union, and Licking Counties, Ohio
Type of tax support	Service Area Sales Tax - 1/4 % permanent 1/4 % temporary
Size of Authority	562 square miles
Miles of route	934
Number of routes	39
Number of bus stop locations	2,967
Number of bus stop passenger shelters	530
Number of Park-and-Ride facilities	24
Parking capacity, all Park-and-Ride facilities	2,161
Number of active fleet buses	301
Average bus vehicle age	7.1
Average fixed-route system speed	12.10
Average fixed-route system fuel economy	4.29
Number of customer information calls received	248,926

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

2023

PREPARED BY

THE FINANCE DIVISION

FOR THE FISCAL YEARS ENDING DECEMBER 31, 2022 AND 2023

ERIN DELFFS
Chief Financial Officer

JOSEPH HOMAN
Director of Accounting

MICHAEL DEWEESE
Director of Finance

MURRAY HOLMES
*Senior Manager of Finance
and Business Services*

GLENDA SCAMYHORN
Payroll Manager

CELSO BAQUEDANO
Payroll Administrator

ERICA TRAYLOR
Budget Administrator

KEVIN HALL
Revenue Administrator

LYNETTE VARGAS
Grant Accountant

MABLE WHITE
Senior Administrative Assistant

MARK HAUCK
Staff Accountant

VALQUISA ALMORE
Staff Accountant

WILLIAM MYERS
Senior Payroll Administrator

TERIA CORNETT
Payroll Administrator

MELINDA JONES
Payroll Administrator

