



SARTA

Stark Area Regional Transit Authority



Comprehensive Annual Financial Report for the years ended December 31, 2015



1600 Gateway Blvd. SE
Canton, Ohio 44707



Dave Yost • Auditor of State

Board of Trustees
Stark Area Regional Transit Authority
1600 Gateway Blvd. SE
Canton, Ohio 44707

We have reviewed the *Independent Auditor's Report* of the Stark Area Regional Transit Authority, Stark County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

August 17, 2016

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2015
Stark Area Regional Transit Authority
Stark County
Canton, Ohio



Comprehensive Annual Financial Report
For Fiscal Years Ended December 31, 2015

Charles DeGraff
President
Board of Trustees

Kirt W. Conrad
CEO
SARTA

Prepared by Finance Division
Carrie Domer, Director of Finance

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Stark Area Regional Transit Authority Canton, Ohio

Comprehensive Annual Financial Report For the Fiscal Years Ended December 31, 2015

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Introductory Section 2015

The Introductory Section includes:

*Authority's transmittal letter
Certificate of Achievement for Excellence in Financial Reporting
Award of Financial Reporting Achievement
Auditor of State Award with Distinction
Board of Trustees and Management
Organizational Chart*



June 29, 2016

Mr. Charles DeGraff, President
SARTA Board of Trustees
Members of Board of Trustees
And Residents of Stark County, Ohio

State law requires that every transit authority publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2015.

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

This report is presented in three sections:

The **INTRODUCTORY SECTION** consists of the title page, the table of contents, this letter of transmittal, a district profile, organizational chart, a listing of the members of the Board of Trustees and management of SARTA and a map of the municipalities in Stark County, Ohio.

The **FINANCIAL SECTION** contains the Independent Auditor's Report, comparative basic financial statements and the notes to financial statements. The notes to financial statements are an integral part of the basic financial statements. Readers are directed to the Management Discussion and Analysis also included in this section.

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stark Area Regional Transit Authority ("SARTA" or the "Authority") for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. This was the Authority's twelfth consecutive year the agency earned this prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and organized CAFR adhering to the highest standards in government accounting and financial reporting. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate for the year ended December 31, 2015.

The Auditor of State Award with Distinction by Ohio Auditor of State Dave Yost was awarded to SARTA in 2015. This award was presented for excellence in financial reporting the 2014 CAFR.

The Auditor of State Award with Distinction is presented to local governments and school districts that meet the following criteria of a "clean" audit report:

- The entity must file timely financial reports with the Auditor of State's office in the form of a CAFR;
- The audit report does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, single audit findings or questioned costs;
- The entity's management letter contains no comment related to:
 - Ethics referrals
 - Questioned costs less than \$10,000
 - Lack of timely report submission
 - Reconciliation
 - Failure to obtain a timely single audit
 - Findings for recovery less than \$100
 - Public meetings or public records

SARTA is honored to have been chosen one of the five percent of 5,800 units the office audits that receive this award from Ohio Auditor of State Dave Yost.

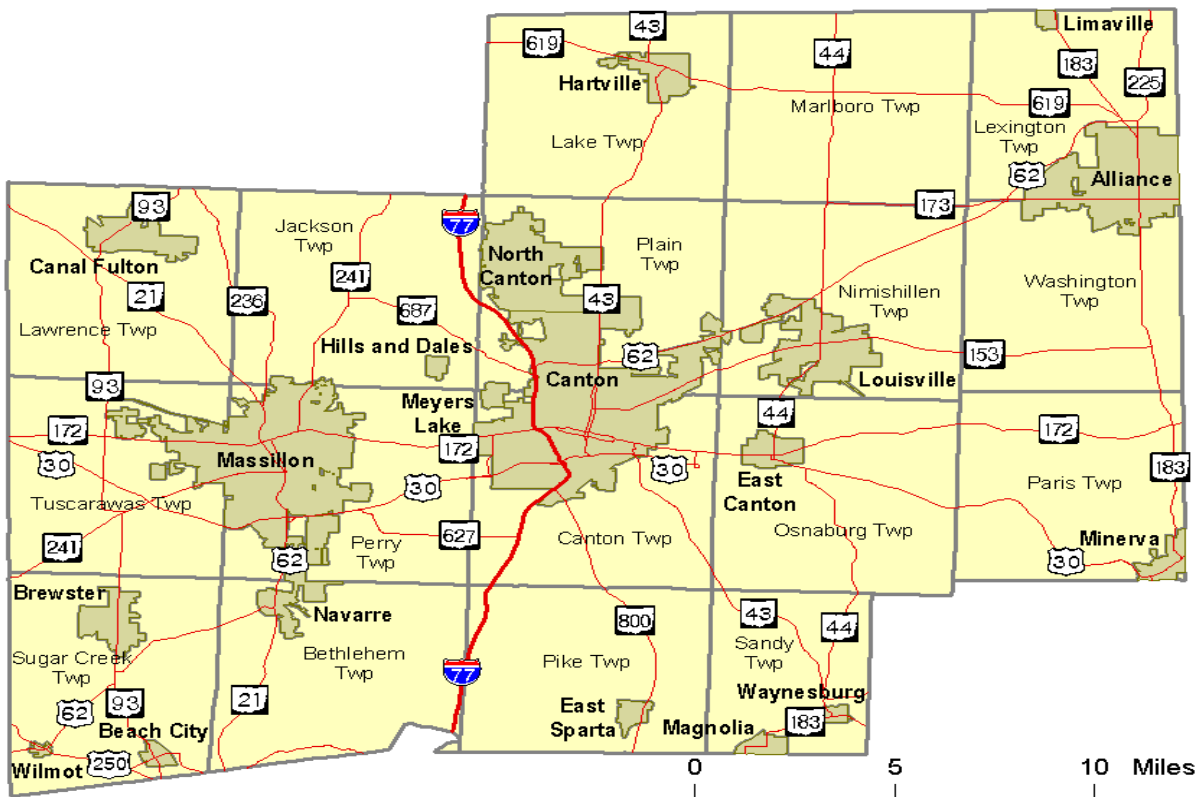
Stark County, Ohio



Established: Act – February 13, 1808
Land Area: 576.2 sq. miles
County Seat: Canton City

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

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



Reporting Entity Profile

General

SARTA services an area of 576.2 square miles and a population base of 375,165, 2015 Census estimate, was created in 1997 with the passage of Issue 2. SARTA is a state subdivision, enjoying all the rights and privileges accorded political subdivisions. SARTA was created pursuant to Section 306.30 through 306.711 of the Ohio Revised Code for the purpose of providing public transportation in the Stark County, Ohio area.

As the public transit authority for Stark County, SARTA offers a variety of services to meet transit needs within the community. SARTA provided over 2.6 million rides in Stark County during 2015 through Fixed Route, Proline and MedLine Services, Paratransit Curb-to-Curb service for individuals with disabilities, shuttle service for special events that pose unusual transit challenges for the community, “community coach” services for senior citizens and the disabled living in assisted care and other facilities, and services providing connections between other transit providers. Our goal is to ensure that Stark County residents including disabled individuals, seniors, veterans, employees and students have access to a quality transportation system that is both reliable and affordable.

Mission Statement

The purpose of SARTA is to provide safe, responsive, and efficient transportation for all citizens of the Greater Stark County area.

Management - Board of Trustees

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

The Board of Trustees supervise the operations of the agency and sets policies for the day-to-day operations. They approve the annual budget, hire the Executive Director, and authorize the sales tax levy to be submitted to the voters every five years, which provides for approximately 75 percent of the operating funds for SARTA. In February of 2003, the Board adopted "Five Bold Steps" as an overall guide for the Authority. These Five Bold Steps are:

1. Operate Within Budget
2. Build High Quality Staff and Board
3. Grow Ridership
4. Maximize Financial Flexibility
5. Build Public Support

Administration

The Authorities CEO, appointed by the Board, directs the authority administration, subject to the policies, procedures and supervision from the Board. An organizational chart shows the key functional responsibilities is shown on page 16 of the introductory section.

Operations and Funding

On May 3, 2011, the voters of Stark County renewed the .25 percent sales tax levy until June of 2017.

Facilities

Gateway – Main administration, garage and maintenance facility, 1600 Gateway Blvd. SE. The 96,000 square feet garage houses 42 Fixed buses, 60 Paratransit buses, 1 Trolley buses and 18 Support vehicles, 9 maintenance bays, 1 chassis bus wash, 1 alignment lift and full paint booth.

Canton Cornerstone Transit Station – Renovated in 2010, Cornerstone is SARTA's downtown Canton intermodal facility located at 112 Cherry Ave. SE. Services include ticket sales, customer information, passenger amenities. The facility also includes Barons Bus charter, a contractor for Greyhound, rental and tour service. Cornerstone provides connections to Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority.

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

Massillon Transit Station – Renovated in 2011, Massillon Station, 41 S Erie St. Services include ticket sales, customer information, passenger amenities and also provides connection to Greater Cleveland Regional Transit Authority and Akron METRO Regional Transit Authority.

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

Services

SARTA offers fixed route and demand response service in Stark County to provide reliable service to as many as possible in Stark County. These fixed routes operate over 20 hours and over 7,500 miles each day Monday through Saturday. SARTA also operates express routes to Cleveland and Akron.

Ridership

In 2015 SARTA provided over 2,679,490 rides between Fixed Routes, Proline and Medline services. A decrease of 132,849 rides or .05 percent from 2014. We mostly attribute the decrease due to falling gas prices and decrease enrollment on college campuses. In 2014 SARTA provided 2,812,339 rides. We attribute the growth to the improving economy, increased service on our busiest routes, our new contract services, the implantation of Pinpoint, GoLine and other programs or services we have introduced the last five years, students here in Stark County, as well as riders growing knowledge of and how to fully utilize SARTA's services. Since 2010, SARTA ridership has grown 40 percent.

Fixed Route Service - 42 fixed route buses operating over 20 hours a day from just before 5:30 am and finishing after 1:30 am Monday through Saturday. The Fixed Route fleet covers an average of 7,500 miles a day with service covering Alliance, Akron, Canton, Cleveland, Hartville, Jackson Township, Louisville, Massillon, North Canton and Uniontown. 79 percent of Stark County's population lives within a ½ mile of SARTA's fixed routes.

Proline Services – 60 Proline buses with service available countywide for customers who meet ADA requirements. Proline operates over 20 hours a day from just before 5:30 am and finishing after 1:30 am Monday through Saturday. On average Proline service runs 140,000 trips a year.

Medline Service - A free non-medical transportation service available for those with I/O and Level One Medicaid Waivers. Similar to Proline, it allows clients to use SARTA to make up to two non-medical transportation trips per day (up to 240 days) to Employment (including trips to Stark DD Workshops and other private day services), Adult Day Support and Vocational Training.

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

Pinpoint - SARTA began its advanced communications project. Pinpoint is a real-time GPS system for our Fixed Routes. Pinpoint enables riders to track buses, view schedules, plan trips in real time. This project allows passengers to receive a phone call when their bus is coming, schedule on line, or via phone.

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

Local Economy

Stark County is located in the northeastern section of Ohio and is the 7th largest county in Ohio. Stark County is located in the Canton-Massillon metro area, crossroads of the Eastern and Midwestern U.S. markets. Stark County includes 19 municipalities, 17 townships, 13 villages, and 6 cities, the largest of which is the City of Canton, the County Seat, and the eighth largest city in the State. Strategically located in proximity to all modes of transportation including truck, railroad, and air. It is home to the Professional

Football Hall of Fame, First Ladies National Historic Site, and the William McKinley Presidential Library and Museum. Six institutions of higher learning are located in Stark County as well as various cultural attractions. Stark County is known primarily for manufacturing. Business is moving forward into the new economy with a focus on companies in advanced manufacturing and new emerging technologies such as Fuel Cells, Wind Energy and Oil Shale exploration and development. In addition, the number and variety of national and international companies, such as Timken and Diebold, with facilities in Stark County is also a testimony to the growing strength of the area’s business environment.

The Stark County unemployment rate for 2015 was 5.1 percent ¹ compared with State of Ohio’s 4.6 percent and the national average of 5.0 percent.²

County Government

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

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

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

Population

Population in SARTA’s principal service area since 1970 has been as follows³:

<u>YEAR</u>	<u>CANTON</u>	<u>STARK COUNTY</u>
1970	110,053	372,720
1980	93,077	378,823
1990	84,161	368,065
2000	80,806	378,097
2010	73,007	375,417
2013	72,535	320,201
2014	72,535	375,584
2015	72,297	375,165

¹ <http://ohiolmi.com/laus/ColorRateMap.pdf>

² <https://research.stlouisfed.org/fred2/series/UNRATE/> (US Dept. of Labor: Bureau of Labor Statistics)

³ <http://quickfacts.census.gov/qfd/states/39/3912000.html> 2014 Canton population figures not available.

Employment

The following table shows comparative unemployment statistics for Stark County, the State of Ohio and the United States for the last five years⁴:

<u>YEAR</u>	<u>STARK COUNTY</u>	<u>OHIO</u>	<u>U.S.</u>
2011	7.9	7.6	8.5
2012	6.7	7	7.9
2013	6.9	6.6	6.7
2014	4.6	4.7	5.6
2015	5.1	4.6	5.0

Major Initiatives - 2015 in Review

Gateway Renovations-SARTA renovated administrative offices and maintenance area facilities. They were done to increase the functionality of our offices. In the maintenance area improvements were made to upgrade the locker room which included installing new showers, sinks, etc.

TDP Plan- SARTA completed the required Transit Development plan which examines the changes in the region and within SARTA network and issues a series of recommendations to the existing service to help increase ridership and system efficiency. The recommendations can be accessed at www.sartaonline.com.

On-Site Clinic-SARTA launched its own primary care medical services clinic. Employees and their families can access free of charge medical care and receive medical supplies if available at no cost.

Service changes – SARTA continues to adjust service, focusing on Canton and the surrounding area during 2015. Responding to customer demand two major corridors now operate in both inbound and outbound directions. Two routes were revised to be more efficient for SARTA customers. One route was eliminated due to route consolidation.CNG – SARTA began a compressed natural gas fueling station in May 2012. Six new CNG buses were added in 2014; the total CNG vehicle operation being 43. Our public facility is the only one in Stark County and one of 20 in the State.

Travel Training – This program to assist individuals to learn to ride and utilize the fixed route system was expanded to include PinPoint and GoLine. There are now three full-time travel trainers. In 2015, 1,703 individuals over six years of age attended a travel training class.

Bus Shelter amenities – Southeast Community Bus Stop improvements - (SENA). Relocated shelters to accommodate increased ridership.

⁴ <https://research.stlouisfed.org/fred2/series/UNRATE/> (US Dept. of Labor: Bureau of Labor Statistics)

LETTER OF TRANSMITTAL – Stark Area Regional Transit Authority

5310 Program-SARTA was designated recipient of Section 5310 program which assist in the Enhanced Mobility for seniors and People with Disabilities. Along with collaborating with SCATS, SARTA has help agencies and others interested in improving the coordination of transportation services among agencies and private providers requiring or providing transportation services.

Hydrogen Funding-SARTA was awarded over 8.8 million dollars in grants to purchase Hydrogen Fuel Buses. The collaborative partnership with FTA, Calstart and the National Fuel Cell Bus Program has allowed SARTA to purchase up to 7 Hydrogen buses by 2017.

Future Initiatives

Written public comment on the proposed Program of Projects was to be accepted by SARTA at the close of business on November 10th, 2015.

Comments received by the closing date were considered in preparing and carrying out the Program. A public hearing was scheduled for November 11, 2015 at 4:00 p.m. in the Executive Board Room at SARTA’s headquarters located at 1600 Gateway Blvd SE in Canton.

The program became final and was submitted to the Federal Transit Administration (FTA) upon completion of the public participation process and agreed to by the Board of Trustees of the SARTA.

PROPOSED
STARK AREA REGIONAL TRANSIT AUTHORITY
FISCAL YEAR 2016 PROGRAM OF PROJECTS
Total Funds Estimated for 2016 Projects \$24,411,368

Project	Total Budgeted Cost	Federal Share
Gateway Building Renovations	\$376,138	\$212,910
Transit Enhancements	\$45,000	\$36,000
Safety/Security	\$56,661	\$45,329
Mahoning Corridor	\$2,252,500	\$1,802,000
Operating Expense	\$2,366,595	\$1,183,298
Alternate Fuels - CNG & Biodiesel	\$335,517	\$268,414
ADA Operating Expenses	\$350,000	\$280,000
Mobility Management	\$500,000	\$370,000
2015 (5) - 40' CNG Buses	\$2,375,115	\$1,900,092
2016 CalStart Hydrogen Project Altoona	\$1,416,081	\$1,416,081
2017 (5) - 40' Hydrogen Buses	\$8,780,745	\$8,780,745
2016 (8) < 30' Buses	\$795,352	\$636,281
Hydrogen Fueling Infrastructure	\$1,520,060	\$1,470,060
IT Projects	\$273,721	\$218,977
Preventive Maintenance	\$2,926,905	\$2,341,524
Support Equipment	\$40,978	\$32,782
Project Totals	\$24,411,368	\$20,994,493

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

The major proposed capital projects include:

- Operational Planning and implementation of the TDP
- Implement findings from the Enhanced Ridership/Marketing Study
- Revisions to Mahoning BRT Corridor due to funding issues
- Participation and assistance to the Stark County Mobility Coordination Committee
- Purchase new Transit and Paratransit Buses
 - 2014 - 13 (9 Paratransit buses, 4 Fixed Route buses)
 - 2015 - 15 (10 Paratransit buses, 5 Fixed Route buses)
 - 2016 - 8 (8 Paratransit buses)
 - 2017 - 6 (6 Paratransit buses)
 - 2018 - 6 (6 Paratransit buses)
 - 2019 - 13 (9 Paratransit buses, 4 Fixed Route buses)
- Upgrade internal computer software programs – 2014 – complete 2015
- Replace DVR system on transit buses both Fixed and Paratransit
- Continued rehabilitation and improvement of SARTA facilities particularly in the area of safety
- Preventative maintenance on buses
- Continuing to study initiatives to increase meeting customer needs
- Upgrading operational and maintenance equipment; complete 2015
- Hydrogen bus and hydrogen station project – start 2015

Management also intends to explore projects such as:

- Multi-agency project to expand the Lincoln Way Corridor
- Alternative fuels and energy sources

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

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

Basis of Accounting

SARTA’s accounting records are maintained on the accrual basis. The activities are reported through the use of a single enterprise fund. Additional information on SARTA’s accounting policies can be found in Note No. 1 in the Notes to Financial Statements, located in the Financial Section and starting on page 32.

Internal Control

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

Budgetary Control

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

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

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

Financial statements are prepared on a budgetary basis, in accordance with accounting principles generally accepted in the United States of America (GAAP) and may be reviewed starting on page 27.

Please refer to The Management’s Discussion and Analysis, Financial Section, for further financial detail and explanation.

Independent Audit

Ciuni & Panichi, Inc., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Stark Area Regional Transit Authority’s (the Authority) financial statements for the year ended December 31, 2015. Refer to the Financial Section page 18 for auditor’s report.

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

Acknowledgements

This report would not be possible without the hard work, high standards and dedication of the entire Finance Department staff. The 2015 CAFR prepared by Jesse Dent, conforms to the program requirements and management expectations for continued high levels of excellence in reporting the Authority’s financials in the future.

Sincerely,



Kirt W. Conrad
Executive Director/CEO



The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Stark Area Regional Transit Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR 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.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Stark Area
Regional Transit Authority
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO



The Government Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
Stark Area Regional Transit Authority, Ohio



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date October 14, 2015



OHIO AUDITOR OF STATE
AWARD WITH DISTINCTION

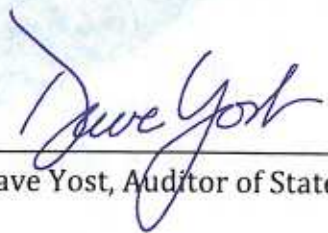
Presented to

Stark Area Regional Transit Authority
Kirt Conrad, Chief Executive Officer

*This award is presented for excellence in financial reporting for your
Comprehensive Annual Financial Report
for the fiscal year ended 2014.*

*Your exemplary reporting serves as the standard for clean, accountable government,
representing the highest level of service to Ohioans.*




Dave Yost, Auditor of State

**STARK AREA REGIONAL TRANSIT AUTHORITY
BOARD OF TRUSTEES AND MANAGEMENT**

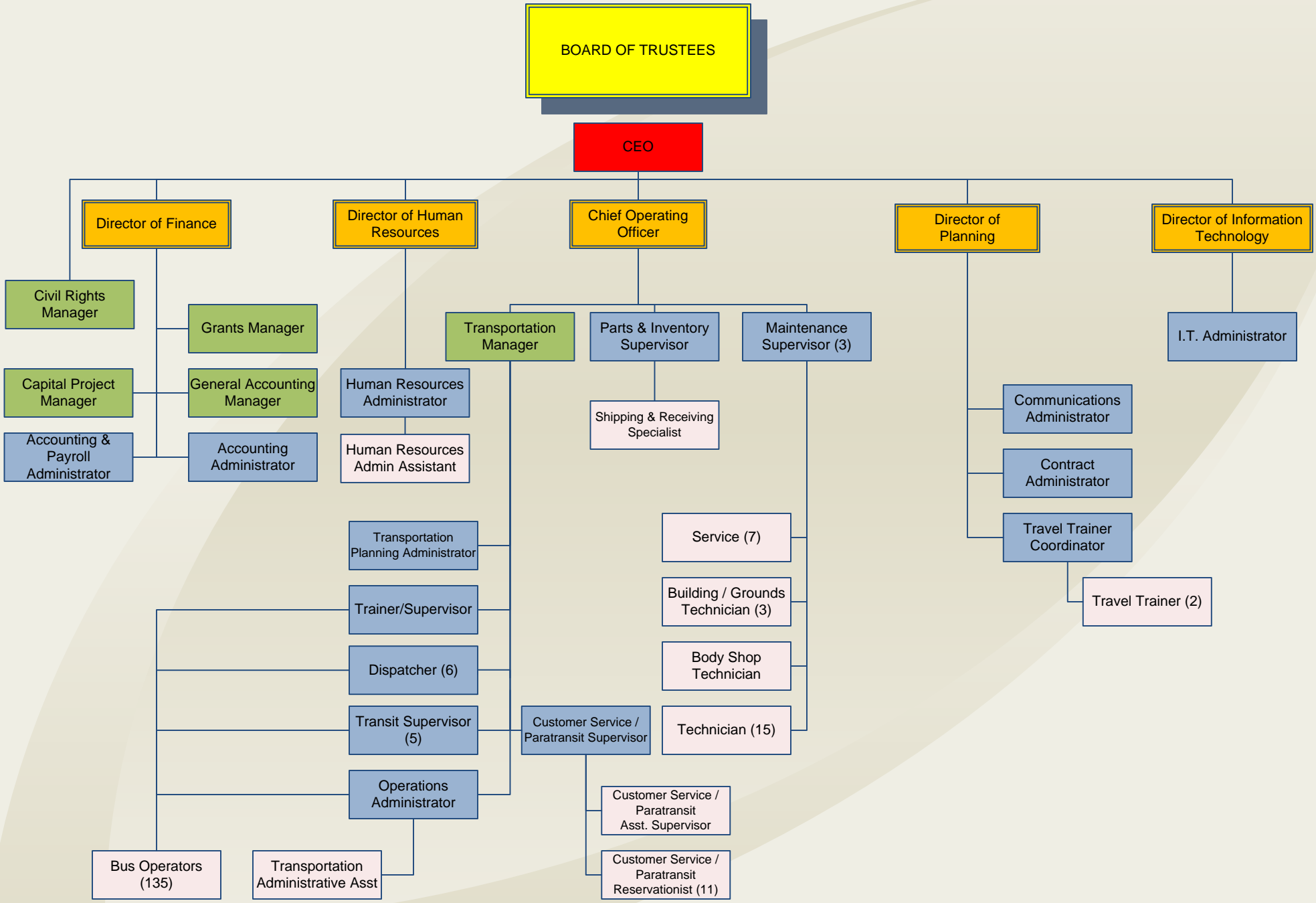
AS OF DECEMBER 31, 2015

BOARD OF TRUSTEES

President.....*Charles DeGraff*
Vice President*Ron Macala*
Trustees..... *Amanda Fletcher*
Greg Blasiman
Paul Dykshoorn
Margaret Egbert
James Reinhard
Chet Warren
Edward Grier

MANAGEMENT

Executive Director/CEO..... *Kirt W. Conrad*
Director of Finance & Administration..... *Carrie Domer*
Chief Operations Officer *Mark Finnicum*
Director of Information Technology..... *Craig Smith*
Director of Planning & Community Outreach..... *Latrice Virola*
Director of Human Resources.....*Kristy Williams*



Stark Area Regional Transit Authority
Organizational Chart
 December 2015



Financial Section 2015

The Financial Section includes:

*Independent Auditor's Report
Management's Discussion and Analysis (MD&A)
Basic Financial Statements
Notes to Financial Statements*

Independent Auditor's Report

Board of Trustees
Stark Area Regional Transit Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Stark Area Regional Transit Authority (the "Authority") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the basic financial statements, during 2015, the Authority adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position of the business-type activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 26 and the schedules of the Authority's proportionate share of the net pension liability and schedules of the Authority's contributions on pages 54 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Ciuni + Panichi, Inc.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

As the financial management of the Stark Area Regional Transit Authority (Authority or SARTA), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2015. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Financial Highlights

The Authority's total net position increased \$1,737,176 or 4.15 percent in 2015. Due to the funding received for the replacement of buses, equipment, overhaul of buses and computer hardware.

In 2015, the Authority's operating expenses, excluding depreciation were \$787,923 higher than in 2014, a 4.45 percent increase, primarily due to increased benefit costs, services, utility and system upgrades.

Operating revenues for the Authority were \$134,142 higher in 2015, a 5.80 percent increase. In 2015 Ridership increased with Proline fares, Veterans passes, and Contract Services which are Special Transit Fees.

In 2015 sales tax revenue increased \$348,213, or 2.45 percent compared to 2014. Sales tax revenue accounted for 72.34 percent of all funding in 2015, exclusive of capital grants.

In 2015, operating grants and reimbursements were \$782,987 lower in 2014, or 20.42 percent decrease, primarily due to lower fuel cost and less funding allocated for operating expenses to replace vehicles.

Overview of the Financial Statements

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

Required Financial Statements

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

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

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

The *Statement of Revenues, Expenses, and Changes in Net Position* presents information showing how the Authority's net position changed during the most recent fiscal year and activities giving rise to those changes. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., undistributed sales tax and earned but unused sick leave).

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

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found on pages 32-53 of this report.

Financial Analysis of the Authority

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by \$43,630,742 at the close of the most recent fiscal year. The Authority's net position is comprised primarily of its investment in capital assets (e.g., land, buildings, transportation equipment, and other equipment) and reserves of cash invested in CDAR's and Debt Securities. The Authority uses these capital assets to provide transportation services to the citizens of Stark County; consequently, these assets are *not* available for future spending.

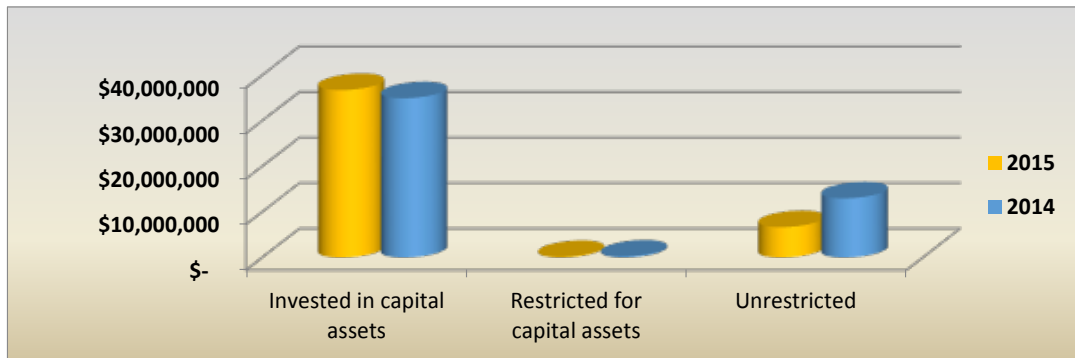
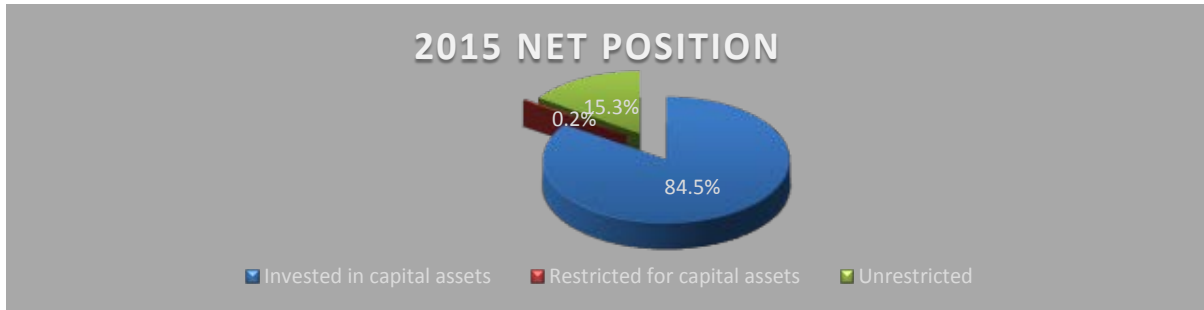
In 2015, the Authority's net position represented resources that were subject to the restriction of being held to pay for capital assets. In 2015 *unrestricted net position* totaled \$6,758,329.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

At the end of 2015 and 2014, the Authority was able to report positive balances in net position.

NET POSITION	<u>2015</u>	<u>Restated</u>
	<u>2015</u>	<u>2014</u>
Current assets	\$ 15,972,971	\$ 15,298,718
Capital assets, net	36,746,495	34,954,513
Other-Net Pension Asset	8,515	2,321
Total assets	<u>\$ 52,727,981</u>	<u>\$ 50,255,552</u>
Deferred Outflows of Resources	\$ 1,345,262	\$ 907,137
Current liabilities	\$ 2,605,543	\$ 1,791,259
Long Term Liabilities	7,705,751	7,477,864
Total liabilities	<u>\$ 10,311,294</u>	<u>\$ 9,269,123</u>
Deferred Inflow of Resources	\$ 131,207	\$ -
Net position:		
Invested in capital assets	\$ 36,746,495	\$ 34,954,513
Restricted for capital assets	125,918	230,753
Unrestricted	6,758,329	6,708,300
Total net position	<u>\$ 43,630,742</u>	<u>\$ 41,893,566</u>



STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

STARK AREA REGIONAL TRANSIT AUTHORITY'S NET POSITION

As can be seen from the table of net position, in 2015 net position increased \$1,737,176 to \$43,630,742 from \$41,893,566 in 2014 as restated.

For more information on capital assets, readers are referred to Note 6 to the financial statements.

CHANGES IN NET POSITION

	2015	Restated 2014
OPERATING REVENUES		
Passenger fares	\$1,348,373	\$1,352,071
Special transit fares	990,281	821,161
Auxiliary transportation revenue	110,273	141,553
TOTAL OPERATING REVENUES	2,448,927	2,314,785
OPERATING EXPENSES		
Labor	7,142,492	6,793,551
Fringe benefits	5,858,125	5,317,403
Materials and supplies	3,045,136	3,800,800
ODOT fuel tax reimbursement	(108,694)	(118,853)
Services	1,375,355	890,085
Utilities	414,994	171,951
Casualty and liability insurance	476,012	521,659
Leases and rentals	52,462	19,100
Miscellaneous	231,512	303,775
TOTAL OPERATING EXPENSES	18,487,394	17,699,471
OPERATING LOSS BEFORE DEPRECIATION	(16,038,467)	(15,384,686)
Depreciation expense	3,453,601	2,999,536
OPERATING LOSS	(19,492,068)	(18,384,222)
NON-OPERATING REVENUES (EXPENSES)		
Sales tax revenues	14,573,689	14,225,476
Operating grants and reimbursements	3,050,742	3,833,729
Interest income	17,604	37,692
Sales tax collection expense	(145,737)	(144,995)
Loss on disposal of capital assets	(58,557)	(1,944)
Non-transportation revenues	54,616	110,360
NON-OPERATING REVENUES-NET	17,492,357	18,060,318
CAPITAL GRANT REVENUE		
Federal capital grant	3,736,887	3,059,094
Restricted for capital assets	-	230,753
TOTAL CAPITAL GRANTS	3,736,887	3,289,847
CHANGE IN NET POSITION	1,737,176	2,965,943
Net position, beginning balance	41,893,566	N/A
Net position, ending balance	\$43,630,742	\$41,893,566

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

Depreciation expense increased \$454,065 or 15.14 percent in 2015, due to purchases of vehicles and completion of the Avail system at the end of 2014.

In 2015, *Non-operating revenues-net* decreased \$567,961, or 3.14 percent, to \$17,492,357.

Condensed Summary of Cash Flows

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

CASH FLOWS

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$2,470,269	\$2,299,866
Cash payments to suppliers for goods & services	(4,581,451)	(5,450,686)
Cash payments to employees for salaries and wages	(7,332,166)	(7,278,387)
Cash payments for employee for benefits	(5,804,539)	(5,277,207)
Net cash used in operating activities	(\$15,247,887)	(\$15,706,414)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Sales tax received	\$14,412,061	\$13,555,025
Operating & preventive maintenance grants received	3,050,742	3,833,729
Non-transportation revenues	54,616	110,360
Net cash provided by noncapital financing activities	\$17,517,419	\$17,499,114
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Federal capital grant revenue	\$3,632,052	\$3,520,600
Proceeds from sale of capital assets	9,052	14,060
Acquisition of capital assets & work in process	(5,313,192)	(3,826,357)
Net cash used by capital and related financing activities	(\$1,672,088)	(\$291,697)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received from investments	\$17,604	\$37,692
INCREASE IN CASH AND CASH EQUIVALENTS	\$615,048	\$1,538,695
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$10,613,253	\$9,074,558
CASH AND CASH EQUIVALENTS, END OF YEAR	\$11,228,301	\$10,613,253

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

Capital Assets

The Authority's investment in capital assets amounts to \$36,746,495 as of December 31, 2015 and \$34,954,513 as of December 31, 2014, a net increase of \$1,791,982, or 5.13 percent from 2014, primarily due to the purchase of smaller transport vehicles. Capital Assets include land, land improvements, revenue producing and service equipment, buildings and structures, office furnishings, shop equipment, computer equipment, and software licenses. Major capital asset expenditures during the current fiscal year included the following:

Auto & Pickups	\$ 55,501
Light Duty Buses	275,160
Fareboxes	122,462
Computer Hardware	42,935
Life Extending Overhauls	112,515

The *Notes to Financial Statements*, Note 6 page 48, provide additional information on capital assets.

Long-Term Debt

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

GASB 68

During 2015, the Stark Area Regional Transit Authority adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Stark Area Regional Transit Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the Stark Area Regional Transit Authority proportionate share of each plan's collective:

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2015

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 Stark Area Regional Transit Authority is not responsible for certain key factors affecting the balance of this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

As a result of implementing GASB 68, the Stark Area Transit Authority is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$48,139,376 to \$41,893,566.

Requests for Information

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OH
STATEMENT OF NET POSITION
DECEMBER 31, 2015

ASSETS	2015
CURRENT ASSETS:	
Cash & cash equivalents	\$ 11,102,383
Receivables:	
Trade	133,758
Sales tax	3,816,820
Materials & supplies inventory	297,559
Prepaid expenses & other assets	496,533
Restricted for capital assets:	
Cash & cash equivalents	125,918
TOTAL CURRENT ASSETS	15,972,971
Capital assets: (Note 6)	
Land	932,672
Buildings & improvements	19,924,440
Transportation equipment	28,279,973
Other equipment	4,451,642
Construction & WIP	5,669,579
Total capital assets	59,258,306
Less accumulated depreciation	(22,511,811)
Capital assets - net	36,746,495
Other Assets	
Net Pension Asset	8,515
TOTAL ASSETS	52,727,981
Deferred outflow of resources	
Pension	1,345,262

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OH
STATEMENT OF NET POSITION
(continued)
DECEMBER 31, 2015

LIABILITIES AND NET POSITION	
CURRENT LIABILITIES:	1,692,059
Accounts payable	90,202
Accrued payroll	255,550
Accrued payroll taxes & withholdings	30,000
Compensated absences	411,814
Other current liabilities	125,918
Capital grants payable	<u>2,605,543</u>
TOTAL CURRENT LIABILITIES	
LONG TERM LIABILITIES	385,135
Compensated absences (Note 9)	<u>7,320,616</u>
Net Pension liability	7,705,751
TOTAL LONG TERM LIABILITIES	
	<u>10,311,294</u>
TOTAL LIABILITIES	
Deferred inflow of resources	131,207
Pension	<u>131,207</u>
NET POSITION:	36,746,495
Investment in capital assets	125,918
Restricted for capital assets	6,758,329
Unrestricted	<u>\$ 43,630,742</u>
TOTAL NET POSITION	

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OH
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015
OPERATING REVENUES	
Passenger fares	\$ 1,348,373
Special transit fares	990,281
Auxiliary transportation revenues	110,273
TOTAL OPERATING REVENUES	2,448,927
OPERATING EXPENSES	
Labor	7,142,492
Fringe benefits	5,858,125
Materials and supplies	3,045,136
ODOT fuel tax reimbursement	(108,694)
Services	1,375,355
Utilities	414,994
Casualty and liability insurance	476,012
Leases and rentals	52,462
Miscellaneous	231,512
TOTAL OPERATING EXPENSES EXCLUDING DEPRECIATION	18,487,394
OPERATING LOSS BEFORE DEPRECIATION	(16,038,467)
DEPRECIATION EXPENSE (Note 6)	3,453,601
OPERATING LOSS	(19,492,068)
NON-OPERATING REVENUES (EXPENSES)	
Sales tax revenues (Note 5)	14,573,689
Operating grants and reimbursements	3,050,742
Interest income	17,604
Sales tax collection expense	(145,737)
Loss on disposal of capital assets	(58,557)
Non-transportation revenues	54,616
Total Non-Operating Revenues - Net	17,492,357
NET LOSS BEFORE CAPITAL GRANT REVENUE	(1,999,711)
Federal capital grant	3,736,887
Restricted for capital assets	-
Total Capital Grants	3,736,887
INCREASE IN NET POSITION	1,737,176
Net position, beginning of year	48,139,376
Prior Period Restatement of Net Position	(6,245,810)
Net position, end of year	\$ 43,630,742

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	2,470,269
Cash payments to suppliers for goods and services	(4,581,451)
Cash payments to employees for salaries and wages	(7,332,166)
Cash payments for employees benefits	(5,804,539)
Net cash used by operating activities	(15,247,887)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Sales taxes received	14,412,061
Operating and preventive maintenance grants received	3,050,742
Non-transportation revenues	54,616
Net cash provided by noncapital financing activities	17,517,419
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Federal capital grant revenue	3,632,052
Proceeds from sale of capital assets	9,052
Acquisition of capital assets and work in process	(5,313,192)
Net cash used by capital and related financing activities	(1,672,088)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received from investments	17,604
Net cash provided by investing activities	17,604
INCREASE IN CASH AND CASH EQUIVALENTS	615,048
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,613,253
CASH AND CASH EQUIVALENTS, END OF YEAR	11,228,301

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OH
STATEMENT OF CASH FLOWS
(continued)
For the Year Ended December 31, 2015

RECONCILIATION OF OPERATING LOSS

TO NET CASH USED IN OPERATING ACTIVITIES:

Operating loss	\$ (19,492,068)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	3,453,601
(Increase) decrease in accounts receivable - trade	21,342
(Increase) decrease in materials & supplies inventory	(80,845)
(Increase) decrease in prepaid expenses & other assets	16,190
(Increase) decrease in deferred outflows - pension	(438,125)
(Increase) decrease in net pension asset	(6,194)
(Decrease) increase in accounts payable	986,172
(Decrease) increase in net pension liability	165,348
(Decrease) increase in accrued payroll	(189,674)
(Decrease) increase in deferred inflows - pension	131,207
(Decrease) increase in accrued payroll taxes & withholdings	(6,149)
(Decrease) increase in other current liabilities	191,308
NET CASH USED IN OPERATING ACTIVITIES	\$ (15,247,887)

Supplemental disclosures of cash flow information:

Change in sales tax receivable	\$ 15,891
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The accompanying notes are an integral part of these financial statements.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

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

The Authority is managed by a nine-member Board of Trustees and provides virtually all mass-transportation within the Stark County area. Approximately 75 percent of the Authority's employees at December 31, 2015 were subject to a collective bargaining agreement that expires on January 4, 2017.

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, at the rate of .25 percent, .5 percent, 1 percent, or 1.5 percent if approved by a majority of the electors residing within the territorial boundaries of the Authority. Such a sales and use tax is in addition to the sales and use taxes levied by the State of Ohio and Stark County (see Note 5). On May 3, 2011, the voters of Stark County renewed the .25 percent sales tax levy to fund the Authority's operations through June of 2017.

Reporting Entity

The Authority has adopted the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB) regarding the definition of the financial reporting entity. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statement No. 14, the Authority has no component units and is not considered to be a component unit of any other entity.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Authority complies with the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. In general, GASB Statement No. 33 establishes accounting and financial reporting standards about when to report the results of non-exchange transactions involving financial or capital resources. The principal changes in accounting that resulted from GASB Statement No. 33 are the requirements that the Authority prospectively report grants as revenues rather than contributed capital, and that the Authority record sales tax revenue in the month the underlying sales transactions occur, rather than when the taxes are collected by the State of Ohio.

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

Cash and Cash Equivalents

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

Investments

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

The Authority has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio). STAROhio is an investment pool managed by the State Treasurer's office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities and Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price that is the price at which the investment could be sold.

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority has invested funds in a Money Market account through Huntington Bank. The Money Market account is a portfolio of securities managed by investment professionals and is insured by the FDIC, thereby reducing investment risk.

The Authority has invested funds in Debt Securities through Huntington Bank. Debt Securities are invested funds with various governmentally sponsored enterprises.

Huntington Bank collateralizes public deposits in excess of \$250,000 in FDIC. Risk has been reduced by invested deposits that are insured 105 percent of Total Public Fund Deposits (Book Value) Subject to the Pool. Custodian of pool securities for The Huntington National Bank's pooled collateral accounts is The Federal Reserve Bank of Boston.

Materials and Supplies Inventory and Prepaid Items

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

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

Property and Depreciation

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

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

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

Description	Years
Buildings	40
Transportation Equipment	5-12
Other Equipment	3-8

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Classifications of Revenues

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

Recognition of Revenue and Receivables

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

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

When assets with value remaining were acquired with capital grant funds and are disposed of, or if revenue from disposal is \$5,000 or more, the Authority is required to notify the granting federal agency. A proportional amount of the above noted proceeds or fair market value, if any, of such property and equipment may be used to acquire like-kind replacement vehicles or, alternatively, remitted to the granting federal agency.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classifications of Expenses

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

Federal and State Operating and Preventive Maintenance Assistance Funds

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

Sales Tax Revenues

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

Compensated Absences

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

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

Pension

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

Comparative Data/Reclassifications

Prior year data presented in Management's Discussion and Analysis and the footnotes have been reclassified in order to be comparative and provide understanding of the changes in financial position and operations. Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Net Assets

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

2. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT

For 2015, the Authority implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Activities
Beginning Net Position December 31, 2014	\$48,139,376
Adjustments:	
Net Pension Asset	2,321
Net Pension Liability	(7,155,268)
Deferred Outflow - Payments Subsequent to Measurement Date	907,137
Restated Net Position December 31, 2014	\$41,893,566

Other than employer contributions subsequent to the measurement date, the Authority made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

3. DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension (asset) liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on the accrual basis of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - SARTA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS 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 cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. Authority employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

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

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

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

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTINUED)

	State and Local
2015 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2015 Actual Contribution Rates	
Employer:	
Pension	12.0 %
Post-employment Health Care Benefits	2.0 %
Total Employer	14.0 %
Employee	10.0 %

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

The Authority's contractually required contribution was \$954,136 for 2015. Of this amount, \$98,916 is reported in accrued payroll taxes & withholdings.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	Traditional OPERS	Combined OPERS	Total
Proportionate Share of the Net Pension Liability(asset)	\$7,320,616	(\$8,515)	\$7,312,101
Proportion of the Net Pension Liability	0.060696%	0.0221165%	
Pension Expense	\$796,311	\$5,585	\$801,896

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTINUED)

At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS <u>Traditional</u>	OPERS <u>Combined</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and Actual earnings on pension plan	\$390,606	\$520	\$391,126
Authority contributions subsequent to the measurement date	<u>942,593</u>	<u>11,543</u>	<u>954,136</u>
Total Deferred Outflows of Resources	<u><u>\$1,333,199</u></u>	<u><u>\$12,063</u></u>	<u><u>\$1,345,262</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$128,609</u>	<u>\$2,598</u>	<u>\$131,207</u>

\$954,136 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. 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 <u>Traditional</u>	OPERS <u>Combined</u>	<u>Total</u>
Year Ending December 31:			
2016	38,311	(179)	38,132
2017	38,311	(179)	38,132
2018	87,724	(179)	87,545
2019	97,651	(179)	97,472
2020	-	(309)	(309)
2021-2024	-	(1,053)	(1,053)
Total	<u><u>261,997</u></u>	<u><u>(2,078)</u></u>	<u><u>259,919</u></u>

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTNUED)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>OPERS Tradition</u>	<u>OPERS Combined</u>
Wage Inflation	3.75 percent	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple	3 percent, simple
Investment Rate of Return	8 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. 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 money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

3. DEFINED BENEFIT PENSION PLANS (CONTNUED)

The allocation of investment assets with the Defined Benefit portfolio is approved by the pension plans or OPERS Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00 %	2.31 %
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension (Asset) Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension (asset) liability calculated using the current period discount rate assumption of 8 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Authority's proportionate share of the net pension liability-Traditional	\$13,467,835	\$7,320,616	\$2,143,176
Authority's proportionate share of the net pension liability (asset) Combined	1,106	(8,515)	(16,145)

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

4. CASH AND CASH EQUIVALENTS

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

- U.S. Treasury Bills, Notes, Bonds, issues of the Federal National Mortgage Assn. (FNMA), Federal Home Loan Mortgage Corp. (FHLMC), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Student Loan Marketing Assn. (SLMA), Government National Mortgage Assn. (GNMA), and other agencies or instrumentalities for which the full faith and credit of the U.S. Government is pledged for the repayment of principal and interest. Bills are short term (one year or less) obligations issued and sold at a discount. Notes have fixed coupon rates with original maturities of between one and five years. Any eligible investment may be purchased at a premium or a discount, and can include instruments that may be called by the issuer prior to the final maturity date.
- Ohio Subdivision's Fund (STAROhio), managed by the State Treasurer of Ohio.
- Demand deposit accounts (such as checking accounts) established with local financial institutions.
- Certificates of Deposit (CDs) issued by local financial institutions mentioned in Section 135.32 of the ORC.
- Commercial paper notes issued by companies incorporated under the laws of the United States; specific limitations apply as defined under Section 135.14(B) (7) of the ORC.
- Banker's acceptances issued by any domestic bank rated in the highest category by a nationally recognized rating agency; specific limitations apply as defined under Section 135.14 (B) (7) of the ORC.
- No-load money market mutual funds rated in the highest category by at least one nationally recognized rating agency, investing exclusively in the same types of eligible securities as defined in Division B(1) or B(2) under Section 135.14 of the ORC and repurchase agreements secured by such obligations. Eligible money market funds shall comply with Section 135.01 of the ORC regarding limitations and restrictions.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

4. CASH AND CASH EQUIVALENTS (CONTINUED)

- Repurchase agreements with any eligible institution mentioned in Section 135.32 of the ORC, or any eligible securities dealer pursuant to the ORC, except that such eligible securities dealers shall be restricted to primary government securities dealers. Repurchase agreements will settle on a delivery vs. payment basis with collateral held in safekeeping by a third party custodian as agreed to by the Executive Director. The fair value of securities subject to a repurchase agreement must exceed the principal value of the repurchase agreement by at least two percent as defined under the Ohio Revised Code. The Executive Director reserves the right to require an additional percentage of collateral securing such repurchase agreements. Prior to the execution of any repurchase agreement with an eligible dealer, master repurchase agreement will be signed by the Executive Director and the eligible dealer.

The Authority is prohibited from investments of the following:

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

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

4. CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits

At December 31, 2015, the carrying amount of the Authority's deposits was \$3,891,519. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures." As of December 31, 2015, none of the Authority's bank balance of \$4,034,956 was exposed to custodial risk as discussed below, while \$298,421 was covered by Federal Deposit Insurance Corporation.

Huntington Bank collateralizes public deposits in excess of \$250,000 in FDIC. Risk has been reduced by invested deposits that are insured 105 percent of Total Public Fund Deposits (Book Value) Subject to the Pool. Custodian of pool securities for The Huntington National Bank's pooled collateral accounts is The Federal Reserve Bank of Boston. However, all of these balances were collateralized with securities held by the pledging financial institution but not in the Authority's name.

Investments

As of December 31, 2015 the Authority held the following investments:

<u>Investment</u>	2015 <u>Fair Value</u>	<u>% of Total</u>
State Treasurer's Investment Pool		
STAR Ohio	\$ 20,137	0.3%
CDAR-52 week term	500,000	6.8%
CDAR-52 week term	1,000,000	13.6%
Money Market	837,655	11.4%
Debt Securities	1,002,270	13.7%
Debt Securities	3,976,720	54.2%
Total	\$ 7,336,782	100.0%

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

4. CASH AND CASH EQUIVALENTS (CONTINUED)

Interest rate risk

In accordance with its investment policy, the Authority limits its exposure to declines in fair values by limiting the weighted average maturity of its investments in the Ohio Investment Pool to less than 12 months. StarOhio's weighted average maturity was 60 days.

Investments in STAROhio are unclassified investments in the Ohio Subdivisions Fund. The Ohio Subdivisions Fund represents an investment pool managed by another governmental unit and investments therein are not evidenced by securities that exist in physical or book entry form.

<u>2015 Investments</u>	<u>Fair Value</u>	<u>One Year</u>	<u>One to Five Years</u>
State Treasurer's Inv Pool (StarOhio)	\$20,137	\$20,137	\$ -
CDARS-2 year			
-Maturity Date 4/21/16	1,000,000	-	1,000,000
CDARS-2 year52 week			
-Maturity Date 10/15/16	500,000	-	500,000
Debt Securities-156 week			
-Maturity Date 11/25/16	3,976,720	-	3,976,720
Debt Securities-260 week			
-Maturity Date	1,002,270	-	1,002,270

Credit Risk

As of December 31, 2015, Standard & Poor's rated the Authority's investment in the State Treasurer's Pool AAAM, and the Authority's investment in both FNMA bonds AA+.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority has a deposit policy for custodial credit risk. As of December 31, 2015 no balance (or deposit), was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution, but not in the Authority's name.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

4. CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counter party, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy limits investments to CDARs, Debt Securities and StarOhio.

5. TAX REVENUES

On May 3, 2011, the voters of Stark County renewed the .25 percent sales tax levy until June of 2017. Revenue generated from the levy can be used for operating or capital purposes. The Authority receives cash from the sales tax levy when the related sales tax collections are distributed by the State of Ohio.

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance <u>1/1/15</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	Ending Balance <u>12/31/15</u>
Capital Assets Not Being Depreciated:					
Land	\$ 932,672	\$ -	\$ -	\$ -	\$ 932,672
Construction & Projects in Progress	1,171,452	4,916,084		(417,957)	5,669,579
Total Capital Assets Not Depreciated	2,104,124	4,916,084	-	(417,957)	6,602,251
Capital Assets Being Depreciated:					
Buildings & Improvements	19,891,877	32,563	-	-	19,924,440
Transportation Equipment	28,801,942	234,975	(1,174,901)	417,957	28,279,973
Other Equipment	4,520,162	129,570	(198,090)	-	4,451,642
Total Capital Assets being Depreciated	53,213,981	397,108	(1,372,991)	417,957	52,656,055
Total Capital Assets	55,318,105	5,313,192	(1,372,991)	-	59,258,306
Less accumulated depreciation for:					
Buildings & Improvements	3,459,373	497,489	-	-	3,956,862
Transportation Equipment	13,102,654	2,559,847	(928,343)	-	14,734,158
Other Equipment	3,801,565	396,265	(377,039)	-	3,820,791
Total Accumulated Depreciation	20,363,592	3,453,601	(1,305,382)	-	22,511,811
Total Capital Assets, Net	\$34,954,513	\$1,859,591	(\$67,609)	\$ -	\$36,746,495

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

7. RETIREMENT BENEFITS

Post-Retirement Benefits

A. Plan Description

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 a defined contribution plan.

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

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2014 CAFR for details.

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

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

B. Funding Policy

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.00 percent of earnable salary and public safety and law enforcement employers contributed at 18.10 percent. These

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

7. RETIREMENT BENEFITS (CONTINUED)

are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund the OPEB Plan.

OPERS maintains three health care trusts. Two cost-sharing, multiple-employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care members in the Traditional Pension and Combined Plan was 2.0% during the calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0% for both plans. The 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 to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5%

C. Information from employer's records

The total employer contribution rates stated in Section B, above, are the statutorily required contribution rates for OPERS. As part of this disclosure, it will be necessary for the employer to disclose the employer contributions actually made to fund post-employment health benefits. The portions of the employer contributions used to fund post-employment benefits for 2015, 2014 and 2013, were \$160,678, \$296,457 and \$281,532 respectively.

8. RESTRICTED ASSETS

During 2014, the Authority received insurance proceeds in the amount of \$230,753 for two buses that were deemed unsalvageable due to an accident and a fire. The proceeds will be used to offset future bus purchases, thereby reducing the amount drawn from grant funds. As of December 31, 2015 and 2014, the balance in restricted cash related to these proceeds was \$125,918 and \$230,753, respectively.

STARK AREA REGIONAL TRANSIT AUTHORITY
CANTON, OHIO

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

9. LONG TERM LIABILITIES

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

	Balance 1/1/2015	Additions	Retirements	Balance 12/31/2015	Due Within One Year
Compensated Absences	<u>\$ 352,596</u>	<u>\$ 92,539</u>	<u>\$ (30,000)</u>	<u>\$ 415,135</u>	<u>\$ 30,000</u>
Pension, net	<u>\$ 7,152,947</u>	<u>\$ 159,154</u>	<u>\$</u>	<u>\$ 7,312,101</u>	<u>\$</u>

10. 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 year ended December 31 consists of the following:

Grants	2015
State and Federal Prevention Maintenance	\$1,353,007
Federal Planning	67,556
Federal Capital & Operating	5,350,918
Federal JARC & New Freedom	<u>16,148</u>
Total Grants	6,787,629
ODOT Fuel Tax Reimbursement	
Total Reimbursements	<u>108,694</u>
	108,694
Total Grants and Reimbursements	<u><u>\$6,896,323</u></u>

11. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, flood, tornado and earthquake, errors and omissions, employment-related matters, injuries to employees, and employee theft and fraud. Effective December 31, 1997, the Authority joined together with certain other transit authorities in the State to form the Ohio Transit Insurance Association, Inc. (name changed to Ohio Transit Risk Pool in 2002 – OTRP),

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

11. RISK MANAGEMENT (CONTINUED)

a joint self-insurance pool pursuant to Section 2744.081 of the Ohio Revised Code, currently operating as a common risk management and insurance program for ten (as of December 31, 2015) member transit agencies. The Authority pays an annual premium to OTRP for its general insurance coverage for losses greater than the Pool's retained losses. Quarterly, the Authority pays into a loss and administration fund pursuant to OTRP's bylaws to fund this retained layer. The Agreement of Formation of OTRP provides that OTRP will be self-sustaining through member contributions and will purchase coverage in excess of the Pool retained amount through commercial companies with an industry standard rating of A or better. All retained amounts and limits listed are per occurrence. Coverage is granted per occurrence.

Current coverage is purchased for commercial property losses in excess of \$1,000 with limits up to \$200,000,000 and for Auto Physical Damages losses in excess of \$5,000 with limits up to \$50,000,000. Additionally, coverage is purchased for all covered liability claims in excess of \$1,000 with limits up to \$10,000,000 for automobile liability and \$5,000,000 for all other liability coverage. The Authority is responsible for the first \$1,000 of any property and/or liability claim or occurrence, and any amounts above the per occurrence limit of coverage.

OTRP also provides coverage for Boiler & Machinery with limits of \$50,000 per occurrence and Crime and Fidelity with limits of \$4,000,000. OTRP purchases a public officials bond for the Authority's fiscal officer(s) as required by ORC Section 306.42.

The Authority continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Authority does have a policy relating to the credit risk of investments.

12. LEASES

The Authority entered into a fifty-nine (59) year lease with Charles Street Associates, LTD in July 1998, for a transfer station in Massillon, Ohio. The Authority has two additional options for 20 years each to extend the lease with the lessor. Annual rental is \$1 during the primary term of the lease. The Authority agreed to contribute \$2,000,000 for leasehold improvements at the facility and included same in building improvements in capital assets.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

13. CONTINGENCIES

Federal and State Grants – Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At December 31, 2015, there were no material questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of the Authority's management, no material grant expenditures will be disallowed.

14. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events for potential recognition and/or disclosure through June 29, 2016 the date the financial statements were available to be issued.

15. CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2015, the Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*.

GASB Statement No. 68 requires recognition of the entire net pension liability and a more comprehensive measure of pension expense for defined benefit pensions and defined contribution pensions provided to the employees of state and local governmental employers through pension plans that are administered through trusts or equivalent arrangements. The implementation of GASB Statement No. 68 resulted in the inclusion of net pension liability, net pension asset, deferred inflow, deferred outflow, pension revenue and pension expense components on the full-accrual financial statements. See Note 2 for the effect on net position as previously reported.

GASB Statement No. 69 addresses accounting and financial reporting for government combinations (including mergers, acquisitions and transfers of operations) and disposals of government operations. The implementation of GASB Statement No. 69 did not have an effect on the financial statements of the Authority.

GASB Statement No. 71 amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. See Note 2 for the effect on net position as previously reported.

**Stark Area Regional Transit Authority
Canton, Ohio**

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System – Traditional Plan

For the Last Two Years (1)

	<u>2014</u>	<u>2013</u>
Port Authority's proportion of the net pension liability	0.060696%	0.060696%
Port Authority's proportionate share of the net pension liability	\$ 7,320,616	\$ 7,155,268
Port Authority's covered-employee payroll	\$ 7,478,633	\$ 6,246,241
Port Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	97.89%	114.55%
Plan fiduciary net position as a percentage of the total pension liability	86.45%	n/a

(1) Information prior to 2013 is not available.

**Stark Area Regional Transit Authority
Canton, Ohio**

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public Employee Retirement System – Combined Plan

For the Last Two Years (1)

	<u>2014</u>	<u>2013</u>
Port Authority's proportion of the net pension asset	0.022117%	0.022117%
Port Authority's proportionate share of the net pension asset	\$ 8,515	\$ 2,321
Port Authority's covered-employee payroll	\$ 80,842	\$ 67,752
Port Authority's proportionate share of the net pension asset as a percentage of its covered-employee payroll	10.53%	3.43%
Plan fiduciary net position as a percentage of the total pension asset	114.83%	n/a

(1) Information prior to 2013 is not available.

**Stark Area Regional Transit Authority
Canton, Ohio**

Required Supplementary Information
Schedule of Authority Contributions
Ohio Public Employee Retirement System – Traditional Plan

For The Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-required contribution	\$ 942,593	\$ 897,436	\$ 817,633	\$ 775,369	\$ 780,642
Contributions in relation to the contractually-required contribution	<u>(942,593)</u>	<u>(897,436)</u>	<u>(817,633)</u>	<u>(775,369)</u>	<u>(780,642)</u>
Contribution deficiency (excess)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
Covered-employee payroll	\$ 7,854,942	\$ 7,478,633	\$ 6,289,485	\$ 7,753,690	\$ 7,806,420
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%	10.00%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually-required contribution	\$ 747,917	\$ 878,360	\$ 1,324,737	\$ 761,465	\$ 768,993
Contributions in relation to the contractually-required contribution	<u>(747,917)</u>	<u>(878,360)</u>	<u>(1,324,737)</u>	<u>(761,465)</u>	<u>(768,993)</u>
Contribution deficiency (excess)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
Covered-employee payroll	\$ 8,310,189	\$ 10,333,647	\$ 18,924,814	\$ 9,119,341	\$ 8,358,620
Contributions as a percentage of covered-employee payroll	9.00%	8.50%	7.00%	8.35%	9.20%

**Stark Area Regional Transit Authority
Canton, Ohio**

Required Supplementary Information
Schedule of Authority Contributions
Ohio Public Employee Retirement System – Combined Plan

For The Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually-required contribution	\$ 11,543	\$ 9,701	\$ 8,869	\$ 8,410	\$ 8,467
Contributions in relation to the contractually-required contribution	<u>(11,543)</u>	<u>(9,701)</u>	<u>(8,869)</u>	<u>(8,410)</u>	<u>(8,467)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 96,192	\$ 80,842	\$ 68,221	\$ 84,103	\$ 84,675
Contributions as a percentage of covered-employee payroll	12.00%	12.00%	13.00%	10.00%	10.00%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually-required contribution	\$ 8,113	\$ 9,527	\$ 14,369	\$ 8,259	\$ 8,341
Contributions in relation to the contractually-required contribution	<u>(8,113)</u>	<u>(9,527)</u>	<u>(14,369)</u>	<u>(8,259)</u>	<u>(8,341)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered-employee payroll	\$ 90,139	\$ 112,087	\$ 205,274	\$ 98,916	\$ 90,664
Contributions as a percentage of covered-employee payroll	9.00%	8.50%	7.00%	8.35%	9.20%



Statistical Section 2015

This part of SARTA's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes to the financials, and required supplementary information says about the government's overall financial health.

Contents/Page Number

Financial Trends (Pages 58-59)

These schedules contain trend information to help the reader understand how SARTA's financial performance and well-being have changed over a ten year period.

Revenue Capacity (Pages 60-62)

These schedules contain information to help the reader assess SARTA's most significant local revenue source, the ¼ per cent Sales Tax.

Operating Information (Pages 63-66)

These schedules contain ridership and infrastructure data to help the reader understand how the information in SARTA's financial report relates to the services SARTA provides and the activities we perform.

Debt Capacity (Page 67)

These schedules present information to help the reader assess the affordability of SARTA's current levels of outstanding debt and our ability to issue debt in the future.

Economic and Demographic (Pages 68-75)

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



Financial Trend Information 2015

(Unaudited)

Table 1 – Net Position

Table 2 – Changes in Net Position and Changes in Fund Balances

STARK AREA REGIONAL TRANSIT AUTHORITY
NET POSITION BY COMPONENT
FOR THE LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

Table 1

	2015	(Restated) 2014*	2013	2012	2011	2010	2009	2008	2007	2006
NET POSITION										
Net Investment in Capital Assets	\$ 36,746,495	\$ 34,954,513	\$ 34,143,696	\$ 35,108,740	\$ 28,659,037	\$ 26,657,794	\$ 22,070,412	\$ 21,386,347	\$ 20,436,088	\$ 19,545,695
Restricted	125,918	230,753	-	100,000	38,899	38,899	-	-	75,384	-
Unrestricted	6,758,329	6,708,300	11,029,737	7,778,378	7,671,591	6,574,635	3,533,639	3,599,239	3,104,616	3,207,574
TOTAL NET POSITION	<u>\$ 43,630,742</u>	<u>\$ 41,893,566</u>	<u>\$ 45,173,433</u>	<u>\$ 42,987,118</u>	<u>\$ 36,369,527</u>	<u>\$ 33,271,328</u>	<u>\$ 25,604,051</u>	<u>\$ 24,985,586</u>	<u>\$ 23,616,088</u>	<u>\$ 22,753,269</u>

*2014 restated to comply with GASB 68

STARK AREA REGIONAL TRANSIT AUTHORITY
CHANGES IN NET POSITION
FOR THE LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (Unaudited)

Table 2

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
OPERATING REVENUES										
Passenger Fares.....	\$ 1,348,373	\$ 1,352,071	\$ 1,141,471	\$ 1,111,074	\$ 1,069,426	\$ 1,051,643	\$ 1,052,755	\$ 1,184,354	\$ 1,024,118	\$ 959,445
Special Transit Fares.....	990,281	821,161	654,311	553,229	684,507	529,091	491,479	480,272	383,994	226,553
Auxiliary Transportation Revenue.....	110,273	141,553	92,973	72,972	60,939	22,176	37,570	23,116	30,402	32,711
TOTAL OPERATING REVENUES	2,448,927	2,314,785	1,888,755	1,737,275	1,814,872	1,602,910	1,581,804	1,687,742	1,438,514	1,218,709
OPERATING EXPENSES										
Labor.....	\$ 7,142,492	\$ 6,793,551	\$ 6,396,815	\$ 5,902,311	\$ 5,808,570	\$ 5,566,669	\$ 5,898,232	\$ 6,124,933	\$ 6,085,585	\$ 6,237,293
Fringe Benefits.....	5,858,125	5,317,403	4,853,118	4,785,964	4,221,636	4,143,021	4,844,810	4,591,727	4,555,803	4,852,883
Materials & Supplies.....	3,045,136	3,800,800	3,638,790	3,085,079	2,512,522	2,198,564	2,367,522	2,795,146	2,299,169	1,914,954
ODOT Fuel Tax Reimbursement	(108,694)	(118,853)	(118,412)	(125,428)	(142,943)	-	-	-	-	-
Services.....	1,375,355	890,085	1,146,558	998,807	884,687	728,318	570,908	541,850	635,497	763,943
Utilities.....	414,994	171,951	271,048	326,085	237,395	241,461	277,368	292,402	289,131	285,521
Casualty & Liability.....	476,012	521,659	465,550	388,802	368,469	617,237	377,719	341,309	757,928	708,362
Leases & Rentals.....	52,462	19,100	20,311	237	2,930	1,738	7,998	12,693	14,012	11,044
Miscellaneous.....	231,512	303,775	403,070	236,161	322,725	356,638	241,921	197,431	117,570	121,012
TOTAL OPERATING EXPENSES	18,487,394	17,699,471	17,076,848	15,598,018	14,215,991	13,853,646	14,586,478	14,897,491	14,745,695	14,895,012
Before Depreciation Expense.....	\$ 18,487,394	\$ 17,699,471	\$ 17,076,848	\$ 15,598,018	\$ 14,215,991	\$ 13,853,646	\$ 14,586,478	\$ 14,897,491	\$ 14,745,695	\$ 14,895,012
OPERATING LOSS										
Before Depreciation Expense.....	\$ (16,038,467)	\$ (15,384,686)	\$ (15,188,093)	\$ (13,860,743)	\$ (12,401,119)	\$ (12,250,736)	\$ (13,004,674)	\$ (13,209,749)	\$ (13,316,181)	\$ (13,676,303)
Depreciation Expense.....	3,453,601	2,999,536	3,586,813	3,611,443	3,415,401	1,911,419	1,717,793	1,719,897	1,827,642	2,301,805
OPERATING LOSS.....	\$ (19,492,068)	\$ (18,384,222)	\$ (18,774,906)	\$ (17,472,186)	\$ (15,816,520)	\$ (14,162,155)	\$ (14,722,467)	\$ (14,929,646)	\$ (15,143,823)	\$ (15,978,108)
NON OPERATING REVENUES (EXPENSES)										
Sales Tax Proceeds.....	\$ 14,573,689	\$ 14,225,476	\$ 13,008,940	\$ 12,636,571	\$ 12,017,178	\$ 11,367,468	\$ 10,408,166	\$ 11,799,986	\$ 11,897,832	\$ 11,683,697
Operating Grants and Reimbursements	3,050,742	3,833,729	5,607,527	3,144,395	2,669,878	-	-	-	-	-
Federal Preventative Maintenance.....	-	-	-	-	-	1,841,668	1,909,366	2,089,920	1,738,436	1,228,565
Federal Capital & Operating Grants.....	-	-	-	-	-	2,010,817	656,624	-	-	-
State Preventative Maintenance.....	-	-	-	-	-	25,380	284,323	187,423	249,548	301,053
Elderly & Disabilities Assistance.....	-	-	-	-	-	372,917	346,642	498,892	202,580	100,641
Federal Planning Grants.....	-	-	-	-	-	190,354	35,290	127,683	-	-
Investment/Interest Income.....	17,604	37,692	17,720	9,979	1,534	19,799	230	1,329	6,523	26,928
Interest Expense	-	-	-	-	-	-	(1,076)	(9,981)	-	-
Sales Tax Collection Expense (Note 1).....	(145,737)	(144,995)	(130,089)	(125,115)	(120,172)	(112,509)	(104,082)	(118,000)	(136,935)	(138,075)
Gain (Loss) on Disposal.....	(58,557)	(1,944)	(45,339)	(75,508)	(16,379)	(13,259)	2,667	(4,693)	(3,518)	(3,046)
Non-transportation Revenue.....	54,616	110,360	76,870	26,552	22,190	32,079	20,065	24,971	16,638	20,573
Special Item*.....	-	-	-	-	-	(79,708)	(30,000)	(22,625)	(30,343)	-
NON OPERATING REVENUES/EXPENSES - NET...	\$ 17,492,357	\$ 18,060,318	\$ 18,535,629	\$ 15,616,874	\$ 14,574,229	\$ 15,655,006	\$ 13,528,215	\$ 14,574,905	\$ 13,940,761	\$ 13,220,336
CAPITAL GRANT REVENUE										
Federal Capital Grant.....	\$ 3,736,887	\$ 3,059,094	\$ 2,425,592	\$ 5,391,151	\$ 4,203,691	\$ 5,674,426	\$ 1,812,717	\$ 1,724,239	\$ 2,065,881	\$ 3,519,606
State/Local Capital Grant.....	-	-	-	2,981,752	97,900	500,000	-	-	-	-
Restricted Federal Capital Grant	-	230,753	-	100,000	38,899	-	-	-	-	-
TOTAL CAPITAL GRANTS.....	\$ 3,736,887	\$ 3,289,847	\$ 2,425,592	\$ 8,472,903	\$ 4,340,490	\$ 6,174,426	\$ 1,812,717	\$ 1,724,239	\$ 2,065,881	\$ 3,519,606
CHANGE IN NET POSITION.....	\$ 1,737,176	\$ 2,965,943.00	\$ 2,186,315.00	\$ 6,617,591.00	\$ 3,098,199.00	\$ 7,667,277.00	\$ 618,465.00	\$ 1,369,498.00	\$ 862,819.00	\$ 761,834.00

* 2007, 2008, 2011, 2012- Non-recurring Legal Expense
 2009 Employee Settlements
 2010 Employee Settlements & IRS Settlements
 2011 E&H \$0



Revenue Capacity Information 2015

(Unaudited)

Table 3 – Revenue Base

Table 4 – Passenger Revenue Rates

Table 5 – Sales Tax Revenue



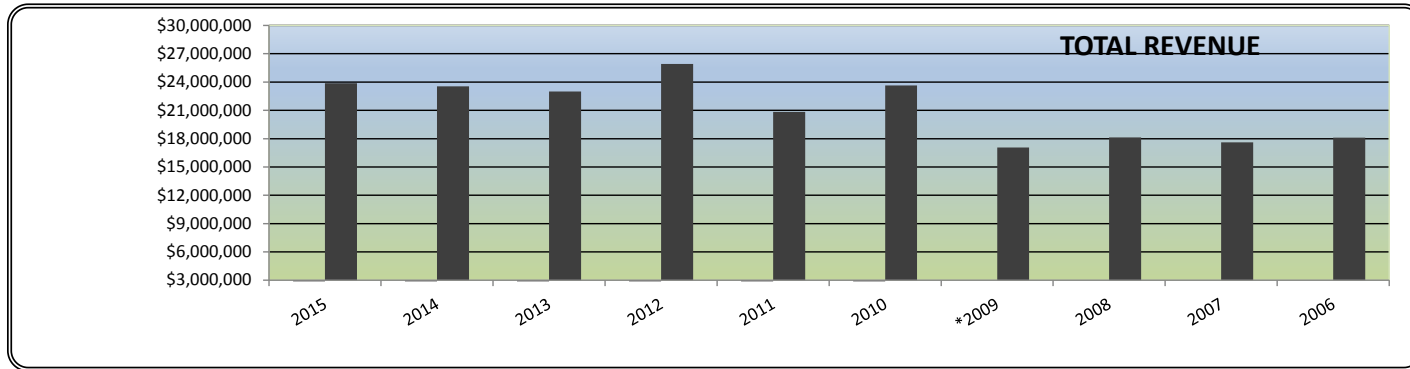
STARK AREA REGIONAL TRANSIT AUTHORITY
REVENUE BASE FOR THE LAST TEN FISCAL YEARS
FOR THE LAST TEN FISCAL YEARS

Rounded to The Nearest Dollar

(Unaudited)

Table 3

	2015	2014	2013	2012	2011	2010	*2009	2008	2007	2006
FARES	\$2,448,927	\$2,314,785	\$1,888,755	\$1,737,275	\$1,814,872	\$1,580,734	\$1,544,234	\$1,664,626	\$1,408,112	\$1,187,321
SALES TAX	\$14,573,689	\$14,225,476	\$13,008,940	\$12,636,571	\$12,017,178	\$11,367,468	\$10,408,166	\$11,799,986	\$11,897,832	\$11,683,697
FEDERAL:										
Operating Grants	\$3,050,742	\$3,833,729	\$5,607,527	\$3,144,395	\$2,669,878	\$553,684	\$643,655	\$0	\$0	\$0
Capital Grant Reimbursements	\$3,736,887	\$3,059,094	\$2,425,592	\$5,391,151	\$4,203,691	\$9,163,581	\$3,770,342	\$3,941,842	\$3,804,317	\$4,748,171
STATE:										
Special Fare Assistance	\$0	\$0	\$0	\$0	\$0	\$372,917	\$346,642	\$498,892	\$202,580	\$100,641
Capital Grant Reimbursements	\$0	\$0	\$0	\$0	\$0	\$525,380	\$284,323	\$187,423	\$249,548	\$301,053
LOCAL:										
Reimbursement	\$0	\$0	\$0	\$2,981,752	\$97,900	\$0	\$0	\$0	\$0	\$0
Nontransportation	\$54,616	\$110,360	\$76,870	\$26,522	\$22,190	\$32,079	\$20,065	\$24,971	\$16,638	\$20,573
Misc Income	\$0	\$0	\$0	\$0	\$0	\$41,975	\$37,800	\$24,445	\$36,925	\$58,316
	\$23,864,861	\$23,543,444	\$23,007,684	\$25,917,666	\$20,825,709	\$23,637,818	\$17,055,227	\$18,142,185	\$17,615,952	\$18,099,772



* The 2009 recession hit the county hard and 2010 was a year of recovery. Sales tax collections (which are an indicator of health and /or declines) hit a low not experienced since SARTA went county wide, but began recover in 2010.

**STARK AREA REGIONAL TRANSIT AUTHORITY
PASSENGER REVENUE RATES
(As of December 31, 2015)**

TABLE 4

TICKET/PASS	SINGLE FARE	10-RIDE	31-DAY
ROUTE	TICKET	TICKET	PASS
REGULAR FIXED ROUTE	\$1.50	\$15.00	\$45.00
REDUCED FIXED ROUTE	\$0.75	\$7.50	\$22.50
PROLINE/CURB TO CURB	\$2.25	\$22.50	\$63.00
STUDENT FIXED ROUTE			\$27.50
Non-ADA Proline			
Day Pass	\$3.00		
CLEVELAND FIXED ROUTE	\$2.50		

Note:

Regular Fixed Fare - For passengers ages 6-64 (eligible for free fixed route transfer.)

Reduced Fixed Fare – For passengers 65 years or older, those with disability, or Medicare cardholders. For the \$.75 cash fares cash fares, riders should show documentation, or buy tickets rom Customer Service.

Paratransit (Proline) – For passengers registered with the ADA Curb-to-Curb program. Proline operates in all of Stark County. Passengers not registered with the ADA program will pay the NON-ADA Fare.

Student Fixed Fare – The student 31-Day Pass is the only student fare and is available for riders 6-18 years of age. Students need to pay \$1.50 unless showing a 31-Day Pass, Day Pass or Transfer.

Non-ADA Proline – (1) For passengers who do not have a client number and who are merely accompanying a Proline rider. (2) For seniors, 65 or older without a Proline number, who arranges a ride through Proline (based on availability.) No charge.

31-Day Pass – Good for 31 days from the first time it is farebox activated.

Day Pass – Good for the unlimited rides from the first time of issue until the end of service for the day.

Cleveland Fixed Fare – Single ride tickets also work with Cleveland RTA lines.

Children – Passengers ages 5 and under, accompanied by an adult, rides for free.

STARK AREA REGIONAL TRANSIT AUTHORITY
SALES TAX REVENUE
(Unaudited)

Table 5

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
SALES TAX REVENUE	\$14,573,689	\$14,225,476	\$13,008,940	\$12,636,571	\$12,017,178	\$11,367,468	\$10,408,166	\$11,799,986	\$11,897,832	\$11,683,697
POPULATION*	375,165	375,736	375,432	374,868	375,087	375,586	379,466	379,214	378,664	380,575
SALES TAX PER CAPITA	\$38.85	\$37.86	\$34.65	\$33.71	\$32.04	\$30.27	\$27.43	\$31.12	\$31.42	\$30.70

* Population

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

2012

http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2012_PEPANNRES

2013

<http://quickfacts.census.gov/qof/stats/39/39151.html>

(US Census only has population up to 2012)

2014

<http://quickfacts.census.gov/qof/stats.html>

(US Census only has population up to 2012)



Operating Information 2015

(Unaudited)

Table 6 – Employees & Labor Classification

Table 7 – Operating Indicators

Table 8 – Expenses by Source/Object

Table 9 – Capital Asset Statistics

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

Table 6

CLASSIFICATION / YEAR	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
VEHICLE OPERATIONS	165	165	159	159	132	144	137	143	149	148
VEHICLE MAINTENANCE	28	29	20	20	28	28	28	28	29	28
NON-VEHICLE MAINTENANCE	3	4	3	3	3	3	2	3	2	3
GENERAL ADMINISTRATION	19	18	23	23	18	16	12	13	22	21
TOTAL OPERATING LABOR	215	216	205	205	181	191	179	187	202	200
TOTAL CAPITAL LABOR	0	0	0	0	0	0	0	9	9	8
TOTAL LABOR	215	216	205	205	181	191	179	196	211	208

Data compiled from SARTA Payroll and Human Resource reports

STARK AREA REGIONAL TRANSIT AUTHORITY
OPERATING INDICATORS
(Unaudited)

Table 7

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>System Ridership</u>										
Fixed Route	2,499,409	2,639,702	2,530,749	2,502,299	2,309,425	1,959,470	1,995,218	2,303,725	2,034,437	2,098,200
Paratransit	136,901	140,747	138,147	139,992	128,034	128,905	138,217	148,193	156,550	158,622
Shuttles and Specials	44,937	26,034	22,129	16,607	10,636	19,958	30,702	78,012	79,017	92,155
<u>Average Weekday System Ridership</u>										
Fixed Route	9,009	10,398	9,152	8,719	8,053	6,940	7,187	7,828	6,627	6,773
Paratransit	552	497	497	455	457	461	495	523	510	566
<u>Average Weekday Miles Operated</u>										
Fixed Route	8,850	8,740	8,812	8,695	7,592	7,465	7,800	7,899	7,798	8,597
Paratransit	5,672	5,852	4,620	4,404	3,905	4,176	3,752	3,912	4,637	4,880
<u>Revenue Miles</u>										
Fixed Route	2,247,849	2,237,394	2,208,234	2,119,345	2,256,733	2,116,316	2,324,483	2,518,321	2,479,147	2,519,313
Paratransit	1,440,588	1,498,092	1,138,653	1,132,028	977,902	1,026,751	1,207,790	1,118,488	1,321,761	1,220,104
<u>Passenger Miles</u>										
Fixed Route	12,738,406	12,789,633	12,789,633	12,616,719	11,464,591	9,916,934	10,149,079	11,540,775	9,449,219	7,892,852
Paratransit	1,221,319	1,283,190	1,283,190	1,221,319	1,201,757	1,193,861	1,340,807	1,475,840	1,429,668	1,385,939
<u>Energy Consumption</u>										
Gallons of CNG & diesel/biodiesel	638,703	622,585	576,992	573,162	529,331	534,326	575,616	612,542	658,278	646,562
Cost	1,173,285	1,709,986	1,882,758	1,841,540	\$1,603,873	\$1,245,736	\$1,486,250	\$1,886,629	\$1,579,867	\$1,430,134
Avg Cost Per Gallon	\$1.84	\$2.75	\$3.26	\$3.21	\$3.03	\$2.33	\$3.08	\$2.40	\$2.21	\$2.21
<u>Fleet Requirement</u>										
Fixed Route	34	34	34	34	34	32	35	38	34	34
Paratransit	26	23	23	23	23	23	23	25	24	24
<u>Total Active Vehicles</u>										
Fixed Route	38	43	43	39	38	38	40	82	79	82
Paratransit	42	41	41	41	42	42	43	42	45	41
<u>Number of Employees</u>										
Full Time Equivalent	215	216	205	190	191	179	187	209	208	204

STARK AREA REGIONAL TRANSIT AUTHORITY
EXPENSES BY SOURCE - LAST TEN YEARS
 Rounded to The Nearest Dollar
 (Unaudited)

Table 8

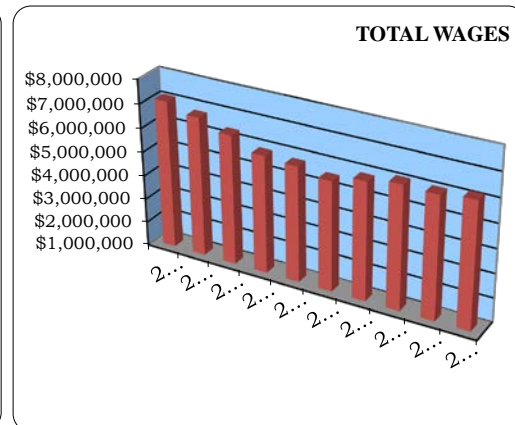
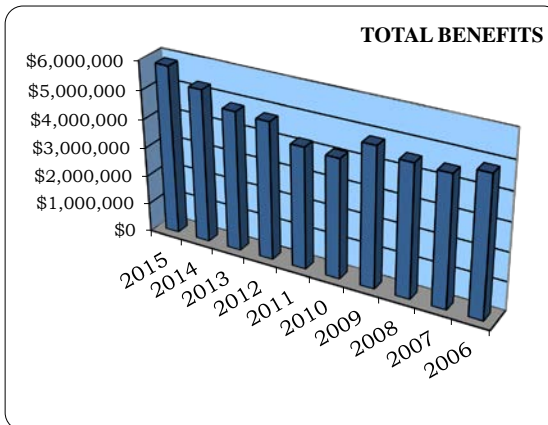
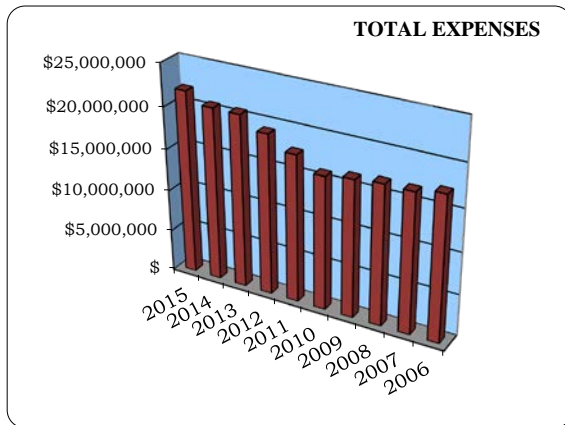
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Labor	\$7,142,492	\$6,793,551	\$6,396,815	\$5,902,311	\$5,808,570	\$5,566,669	\$5,898,232	\$6,124,933	\$6,085,584	\$6,237,294
Fringe Benefits	\$5,858,125	\$5,317,403	\$4,853,118	\$4,785,964	\$4,221,636	\$4,143,021	\$4,844,810	\$4,591,727	\$4,546,981	\$4,852,882
General & Administrative	\$5,486,777	\$5,588,517	\$5,826,915	\$4,909,743	\$4,185,785	\$4,349,432	\$3,978,594	\$4,331,437	\$4,284,104	\$3,945,957
Depreciation	\$3,453,601	\$2,999,536	\$3,586,813	\$3,611,443	\$3,415,401	\$1,911,419	\$1,717,793	\$1,719,897	\$1,827,642	\$2,301,806
	\$21,940,995	\$20,699,007	\$20,663,661	\$19,209,461	\$17,631,392	\$15,970,541	\$16,439,429	\$16,767,994	\$16,744,311	\$17,337,939

EXPENSES BY OBJECT - LAST TEN YEARS
 Rounded to The Nearest Dollar
 (Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Wages	\$7,142,492	\$6,793,551	\$6,396,815	\$5,902,311	\$5,808,570	\$5,566,669	\$5,898,232	\$6,124,933	\$6,085,584	\$6,237,294
Benefits	\$5,858,125	\$5,317,403	\$4,853,118	\$4,785,964	\$4,221,636	\$4,143,021	\$4,844,810	\$4,591,727	\$4,546,981	\$4,852,882
Services	\$1,375,355	\$890,085	\$1,146,558	\$998,807	\$884,687	\$728,318	\$570,908	\$541,850	\$635,497	\$763,944
Supplies **	\$2,936,442	\$3,681,947	\$3,520,378	\$2,959,651	\$2,369,740	\$2,198,564	\$2,367,522	\$2,795,146	\$2,299,169	\$1,914,954
Utilities	\$414,994	\$171,951	\$271,048	\$326,085	\$237,395	\$241,461	\$277,368	\$292,402	\$289,131	\$285,521
Casualty & Liability **	\$476,012	\$521,659	\$465,550	\$388,802	\$368,469	\$617,237	\$377,719	\$341,309	\$757,928	\$708,362
Depreciation	\$3,453,601	\$2,999,536	\$3,586,813	\$3,611,443	\$3,415,401	\$1,911,419	\$1,717,793	\$1,719,897	\$1,822,338	\$2,301,806
Miscellaneous Expenses	\$283,974	\$322,875	\$423,381	\$236,398	\$325,494	\$563,852	\$385,077	\$360,730	\$307,683	\$273,176
Total Expenses	\$21,940,995	\$20,699,007	\$20,663,661	\$19,209,461	\$17,631,392	\$15,970,541	\$16,439,429	\$16,767,994	\$16,744,311	\$17,337,939

Depreciation totals are not reflected in the Total Expenses. This category is used for accounting purposes.

** Later years reflect rising insurance & fuel costs.



Data compiled from SARTA Financial Statements

STARK AREA REGIONAL TRANSIT AUTHORITY
Capital Asset Statistics
Last Ten Fiscal Years
Unaudited

Table 9

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenue Vehicle Inventory										
Heavy Duty Vehicles	42	41	43	39	38	38	38	40	42	41
Light Duty Vehicles	60	61	41	41	42	42	43	42	42	41
Total Revenue Vehicle Inventory	102	102	84	80	80	80	81	82	84	82
Administration/Maintenance Buildings	1	1	1	1	1	1	1	1	1	1
Transit Stations	4	4	4	4	4	3	3	3	3	3



Debt Capacity Information 2015

(Unaudited)

Table 10 – Debt Service

STARK AREA REGIONAL TRANSIT AUTHORITY

Debt Service

(Unaudited)

Table 10

YEAR	REVENUES (1)	EXPENSES (2)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	DEBT (3)	COVERAGE
2015	\$23,882,164	\$18,691,387	\$5,190,777				
2014	\$23,811,889	\$17,927,848	\$5,884,041				
2013	\$23,025,404	\$17,122,187	\$5,903,217				
2012	\$25,827,052	\$15,598,018	\$10,229,034				
2011	\$20,729,589	\$14,473,148	\$6,256,441				
2010	\$23,637,818	\$14,059,122	\$9,578,696				
2009	\$17,055,227	\$14,721,636	\$2,333,591				
2008	\$18,142,185	\$15,052,791	\$3,089,394	\$398,908	\$9,981	\$408,889	\$7.56
2007	\$17,615,952	\$14,916,670	\$2,699,282				
2006	\$18,099,772	\$15,174,207	\$2,925,565				

(1) Gross revenues include interest, planning grants, special fares assistance, local grants, and other non-operating revenues.

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

(3) Huntington National Bank Line of Credit principal and interest.

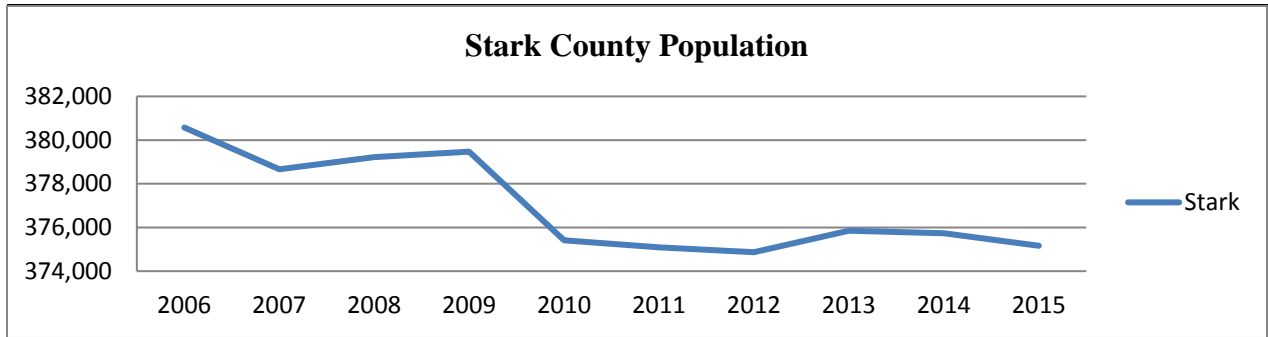


Economic & Demographic Information 2015

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

ECONOMIC CONDITION AND OUTLOOK

Stark County, Ohio covers an area of 567 square miles. SARTA’S service area is within the boundaries of Stark County, Ohio. The County consists of nineteen municipalities (cities and villages) and seventeen townships. The seat of the county government is the City of Canton.



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Stark	380,575	378,664	379,214	379,466	375,417	375,087	374,868	375,895	375,736	375,165

1

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

The Unemployment rate continues to trend upwards despite the growth in non-manufacturing jobs. The jobs created by the non-manufacturing sector have not been numerous enough to outpace the loss of manufacturing jobs. The Stark County unemployment rate for 2015 was 5.1 % ² compared with the national average of 5.0%.³

¹ Source: Stark County Quick facts from the US Census Bureau [Link: http://quickfacts.census.gov](http://quickfacts.census.gov)

² <http://data.bls.gov/map/MapToolServlet>

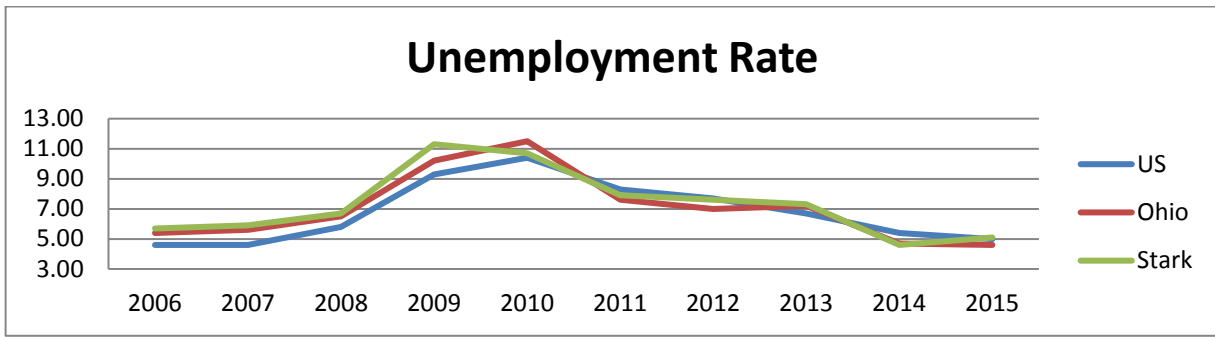
³ <http://data.bls.gov/timeseries/LNS14000000>

Stark County Major Employers

2014 Employers ^{*1}	Nature of Business	Employees	Percentage of Total County Employment
Aultman Hospital	Health Care	5,000	0.0133
The Timken Company	Manufacturing, Steel and Tapered Roller Bearings	4,120	0.0110
Mercy Medical Center	Health Care	2,500	0.0067
County of Stark	Governmental	2,606	0.0069
Diebold, Inc	Computer Services, Finance	1,900	0.0051
Canton Board of Education	Education	1,823	0.0048
Freshmark, Inc	Meat Processing	1700	0.0045
Stark State College	Education	1123	0.0030
Alliance Community Hospital	Health Care	953	0.0025
Republic Engineered Steels, Inc	Manufacturing, Steel and Tapered Roller Bearings	910	0.0024
	Total County employment	22,635	
2015 population	375,165		

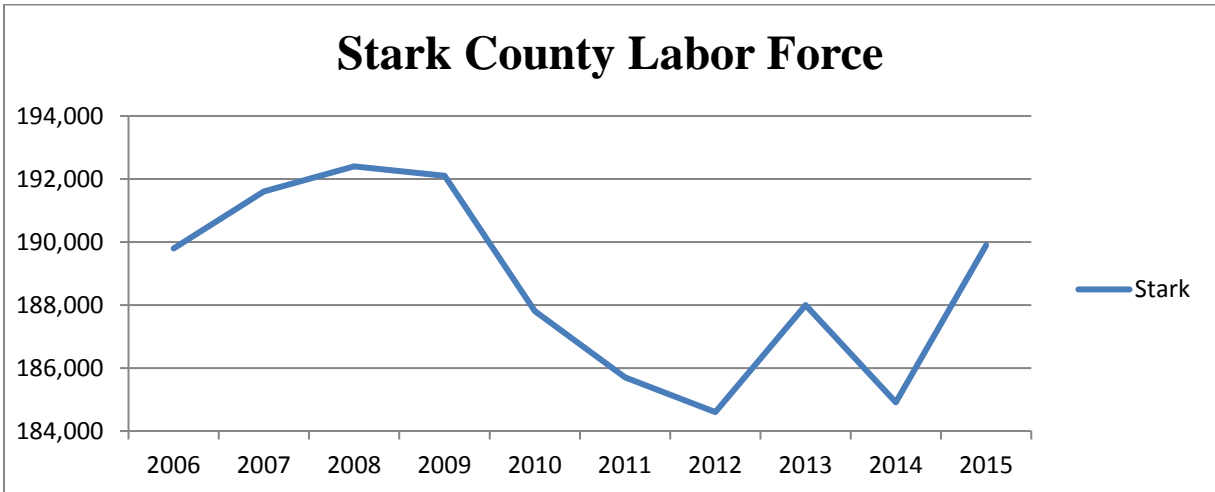
2000 Employers	Nature of Business	Employees	Percentage of Total County Employment
The Timken Company	Manufacturing, Steel and Tapered Roller Bearings	6,108	0.0162
Aultman Hospital	Health Care	3515	0.0093
Stark County Government	Government	2852	0.0075
Republic Engineered Steel	Manufacturing, Steel	2800	0.0074
Maytag-Hoover	Manufacturing	2750	0.0073
Mercy Medical Center	Health Care	2700	0.0071
Canton Board of Education	Education	1794	0.0047
Diebold, Inc	Computer Services, Finance	1578	0.0042
The Akron Corp		1250	0.0033
	Total County employment	25,347	0.067
2000 population	378,098		

*1 - Source: <http://www.starkcounty.gov/.../comprehensive-annual-financial-reports/2014-stark-county>
(information not updated for 2015)



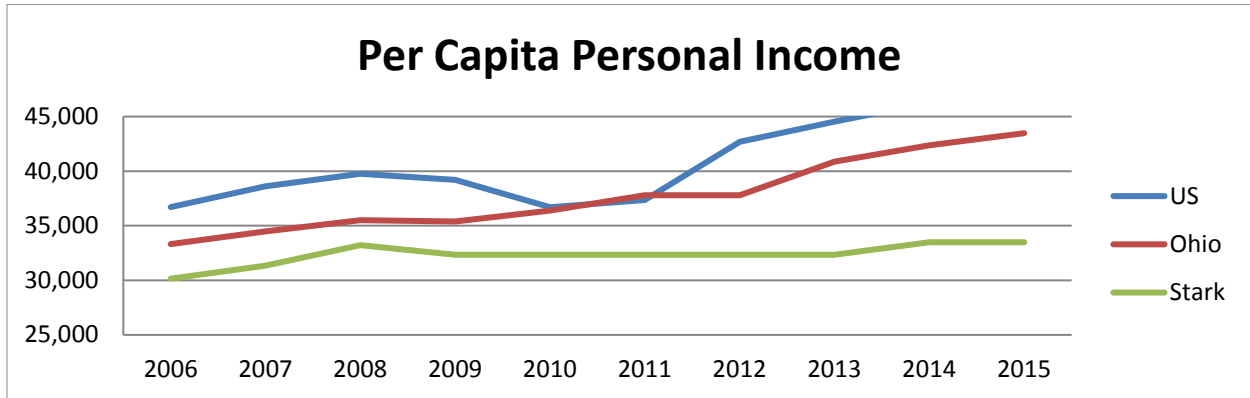
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
US	4.6	4.6	5.8	9.3	10.4	8.3	7.7	6.7	5.4	5.0
Ohio	5.4	5.6	6.5	10.2	11.5	7.6	7	7.2	4.7	4.6
Stark	5.7	5.9	6.7	11.3	10.7	7.9	7.6	7.3	4.6	5.1

Source: Bureau of Labor Statistics - <http://jfs.ohio.gov/RELEASES/unemp/201401/index.stm>
 Source: <http://jfs.ohio.gov/county/index.stm>
 Source - <http://jfs.ohio.gov/county/cntypro/pdf13/Stark.stm>



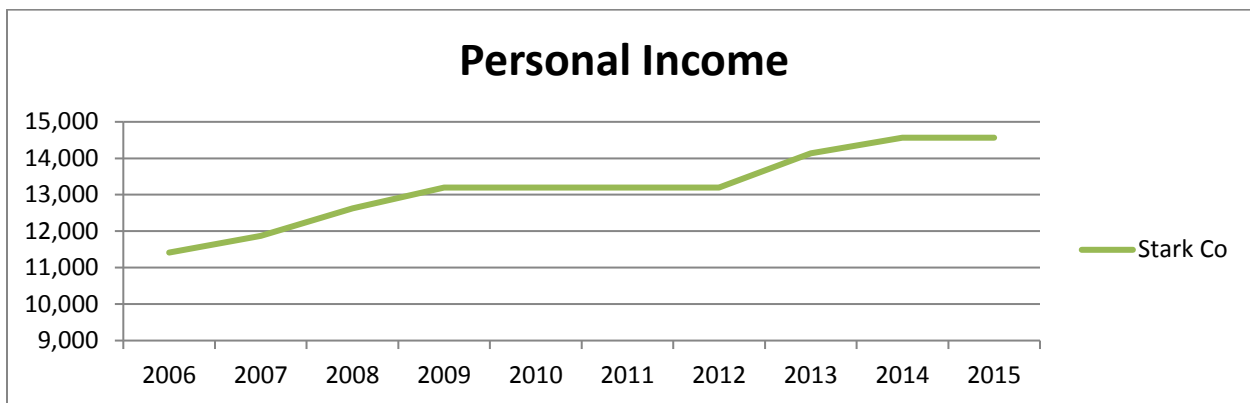
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Stark	189,800	191,600	192,400	192,100	187,800	185,700	184,600	188,000	184,908	189,900

Source: Stark County Job and Family Services - <http://jfs.ohio.gov/county/cntypro/pdf13/Stark.stm>



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
US	36,714	38,611	39,751	39,212	36,697	37,345	42,693	44,543	46,280	47,669
Ohio	33,320	34,468	35,511	35,381	36,395	37,791	37,791	40,865	42,377	43,478
Stark	30,150	31,331	33,221	32,356	32,356	32,356	32,356	32,356	33,488	33,488

Source: Bureau of Economic Analysis, US Department of Commerce



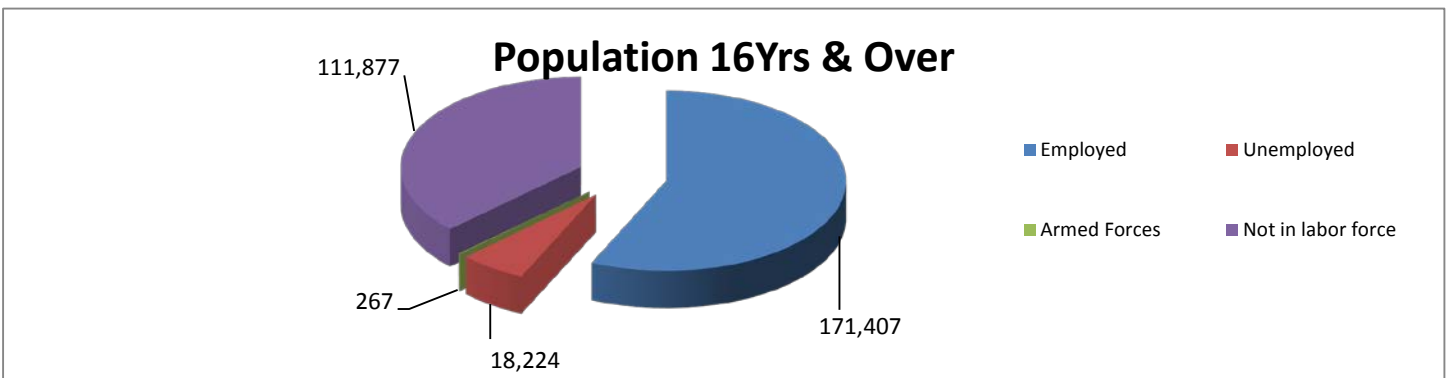
Personal Income

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
US	10,968,393	11,645,882	12,233,500	12,097,700	12,701,052	13,105,700	13,602,600	14,309,800	14,882,192	15,551,891
Ohio	381,963	399,897	407,874	407,874	425,614	436,297	436,297	472,845	487,030	501,641
Stark Co	11,414	11,876	12,627	13,201	13,201	13,201	13,201	14,141	14,565	14,565

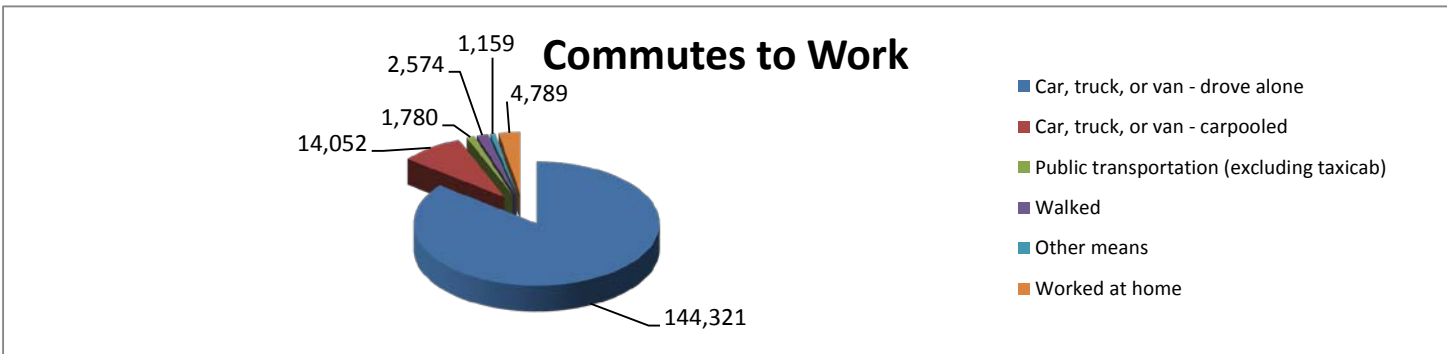
Source: Bureau of Economic Analysis, US Department of Commerce - Link: www.bea.gov

STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY DEMOGRAPHICS
 2014 Community Survey*
 US Census Bureau / American Fact Finder

Employment Status	Number	Percent
Population 16 Years and Over	301,775	100%
Employed	171,407	56.80%
Unemployed	18,224	6.04%
Armed Forces	267	0.09%
Not in labor force	111,877	37.07%



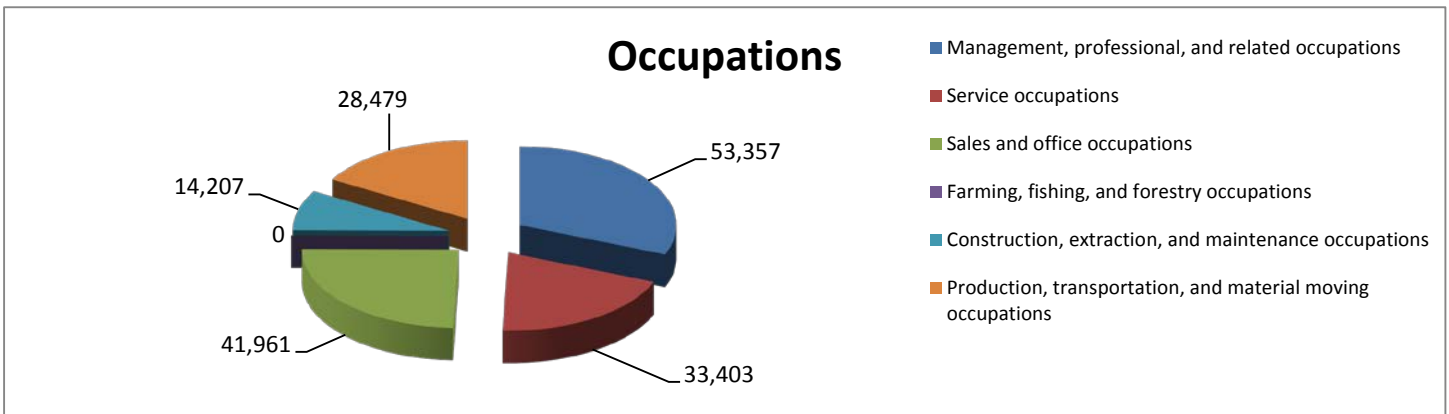
Commuting to Work	Number	Percent
Workers 16 years and over	168,675	100%
Car, truck, or van - drove alone	144,321	85.56%
Car, truck, or van - carpooled	14,052	8.33%
Public transportation (excluding taxicab)	1,780	1.06%
Walked	2,574	1.53%
Other means	1,159	0.69%
Worked at home	4,789	2.84%
Mean travel time to work (minutes)	21.5	



STARK AREA REGIONAL TRANSIT AUTHORITY
STARK COUNTY DEMOGRAPHICS
 2014 Community Survey*

DEMOGRAPHICS (CONTINUED)

Occupation		
Employed Civilian Population 16 Years and Over	171,407	100%
Management, professional, and related occupations	53,357	31.13%
Service occupations	33,403	19.49%
Sales and office occupations	41,961	24.48%
Farming, fishing, and forestry occupations	0	0.00%
Construction, extraction, and maintenance occupations	14,207	8.29%
Production, transportation, and material moving occupations	28,479	16.61%



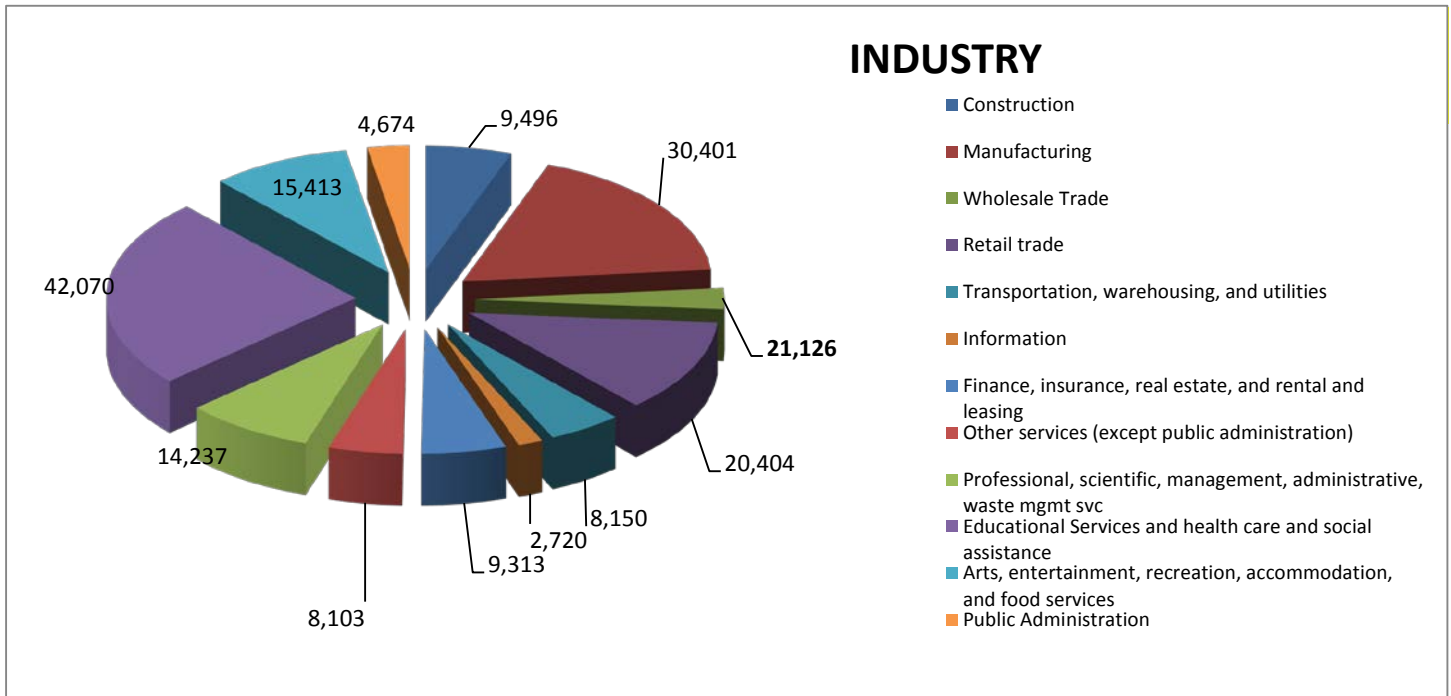
STARK AREA REGIONAL TRANSIT AUTHORITY

STARK COUNTY DEMOGRAPHICS

2014 Community Survey*

DEMOGRAPHICS (CONTINUED)

Industry		
Employed Civilian Population 16 Years and Over	171,407	100%
Agriculture, forestry, fishing and hunting, mining	1,716	1.00%
Construction	9,496	5.54%
Manufacturing	30,401	17.74%
Wholesale Trade	4,710	2.75%
Retail trade	20,404	11.90%
Transportation, warehousing, and utilities	8,150	4.75%
Information	2,720	1.59%
Finance, insurance, real estate, and rental and leasing	9,313	5.43%
Other services (except public administration)	8,103	4.73%
Professional, scientific, management, administrative, waste mgmt svc	14,237	8.31%
Educational Services and health care and social assistance	42,070	24.54%
Arts, entertainment, recreation, accommodation, and food services	15,413	8.99%
Public Administration	4,674	2.73%



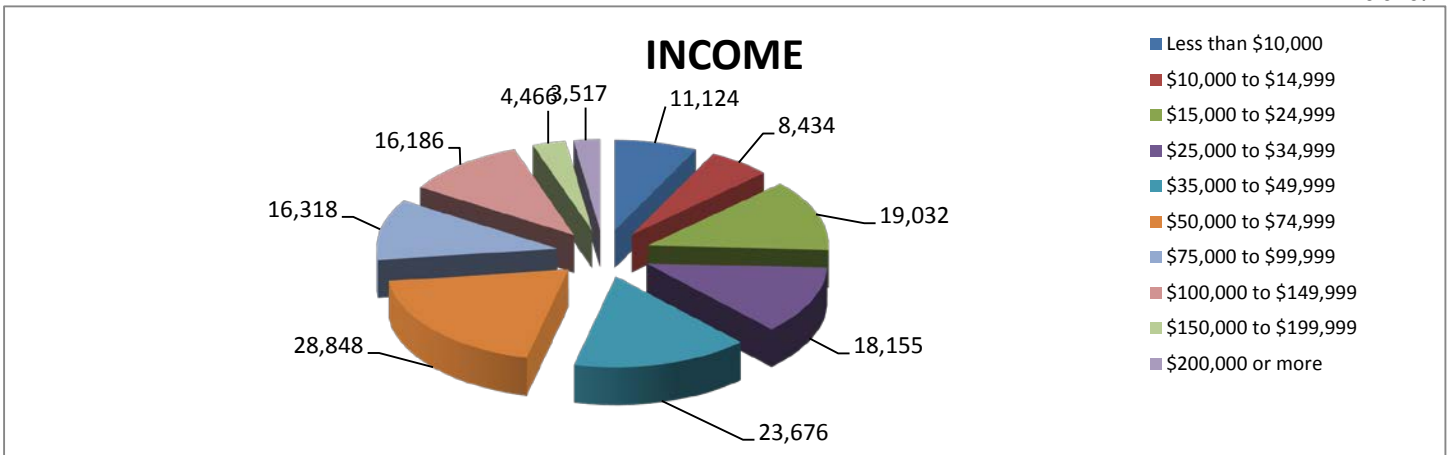
STARK AREA REGIONAL TRANSIT AUTHORITY

STARK COUNTY DEMOGRAPHICS

2014 Community Survey*

DEMOGRAPHICS (CONTINUED)

Households	Income		
		149,756	100%
Less than \$10,000		11,124	7.5%
\$10,000 to \$14,999		8,434	5.6%
\$15,000 to \$24,999		19,032	12.7%
\$25,000 to \$34,999		18,155	12.1%
\$35,000 to \$49,999		23,676	15.8%
\$50,000 to \$74,999		28,848	19.3%
\$75,000 to \$99,999		16,318	10.9%
\$100,000 to \$149,999		16,186	10.8%
\$150,000 to \$199,999		4,466	3.0%
\$200,000 or more		3,517	2.3%
Median household income (dollars)		46,290	
			100.0%



*2015 US Census survey results not available at time of reporting.

Source: U.S. Census Bureau, 2010-2014 American Community Survey

<http://factfinder2.census.gov/>

Stark Area Regional Transit Authority

**Single Audit Reports
For the Year Ended December 31, 2015**

Stark Area Regional Transit Authority

For the Year Ended December 31, 2015

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Stark Area Regional Transit Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Stark Area Regional Transit Authority (the "Authority"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 29, 2016, wherein we noted that the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension- an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and as a result restated their December 31, 2014 net position of the business-type activities, as disclosed in Note 2 to the basic financial statements.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness (Finding No. 2015-001).

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Board of Trustees
Stark Area Regional Transit Authority

Compliance and Other Matters

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

The Authority's Response to Findings

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Ciuni + Panichi, Inc.

Cleveland, Ohio
June 29, 2016

**Independent Auditor’s Report on Compliance for Each Major Program; Internal Control
over Compliance Required by the Uniform Guidance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance.**

Board of Trustees
Stark Area Regional Transit Authority

Report on Compliance for Each Major Federal Program

We have audited the Stark Area Regional Transit Authority’s (the “Authority”) compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on the Authority’s major federal programs for the year ended December 31, 2015. The Authority’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of the business-type activities of the Authority as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 29, 2016, which contained an unmodified opinion on those financial statements, wherein we noted that the Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension- an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, and

Board of Trustees
Stark Area Regional Transit Authority

as a result restated their December 31, 2014 net position of the business-type activities, as disclosed in Note 2 to the basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Cimini + Panichi, Inc.

Cleveland, Ohio
June 29, 2016

Stark Area Regional Transit Authority

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grant Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation:			
Federal Transit Cluster:			
Federal Transit Administration Capital and Operating Assistance Formula Grants	20.507	OH-04-0069	\$ 66,415
	20.507	OH-04-0084	4,223
	20.507	OH-16-X013	292,589
	20.507	OH-26-0008	7,416
	20.507	OH-34-0006	115,041
	20.507	OH-90-0818	1,983,019
	20.507	OH-90-X714	32,716
	20.507	OH-90-X764	509,380
	20.507	OH-95-0101	63,895
	20.507	OH-95-0184	158,900
	20.507	OH-95-X172	276,553
	20.507	OH-95-0200	<u>1,407,945</u>
Total Federal Transit Cluster			4,918,092
Public Transportation, Research, Technical Assistance, and Training:			
Passed-Through CALSTART, Inc.			
Ohio American Fuel Cell Bus Project	20.514	CA-04-7009	1,212,540
Upper Ohio Large Fleet Integration Demonstration project	20.514	CA-04-7004-01	<u>682,251</u>
Total Public Transportation, Research, Technical Assistance, and Training			1,894,791
Transit Services Programs Cluster:			
Job Access and Reverse Commute Program	20.516	OH-37-6094	5,056
New Freedom Program	20.521	OH-57-6054	<u>11,670</u>
Total Transit Services Programs Cluster			<u>16,726</u>
Total U.S. Department of Transportation			\$ <u><u>6,829,609</u></u>

The accompanying notes are an integral part of this schedule.

Stark Area Regional Transit Authority

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Note 1: Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (“Schedule”) reflects the expenditures of the Stark Area Regional Transit Authority (the “Authority”) under programs financed by the U.S. government for the year ended December 31, 2015. The Schedule has been prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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

During 2015, the Authority provided \$5,056 and \$11,670 of job access and reverse commute and new freedom program grant funds, respectively, to a sub-recipient.

Note 2: Indirect Cost Rate

No indirect costs were charged to federal grants; therefore, no indirect cost rate was established.

Stark Area Regional Transit Authority

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2015

1. Summary of Auditor's Results

(d)(I)(i)	Type of Financial Statement Opinion	Unmodified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(I)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d)(I)(iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(I)(vi)	Are there any reportable findings under Section .510?	No
(d)(I)(vii)	Major Programs	<p>Federal Transit Cluster: Federal Transit Administration Capital and Operating Assistance Formula Grants - CFDA # 20.507</p> <p>Public Transportation, Research, Technical Assistance, and Training - CFDA # 20.514</p>
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$ 750,000 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

Stark Area Regional Transit Authority

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2015

2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

2015-001 – Material Weakness in internal control over financial reporting:

Condition:

We noted the Authority improperly excluded accounts payable and accrual balances resulting from improper cutoff procedures which resulted in material adjustments made to these liabilities and the related expense accounts. Additionally, timely reconciliations were not performed from the general ledger to the schedule of expenditures of federal awards resulting in an unreconciled difference at year-end.

Criteria:

The internal control structure and processes should provide for the accurate cutoff procedures at year-end and timely reconciliations of the schedule of expenditures of federal awards.

Cause:

Controls were not in place to ensure compliance with the Authority's cutoff and reconciliation procedures.

Effect:

The lack of controls over the cutoff procedures relating to liabilities and timely reconciliation of expenses to be reported on the schedule of expenditures of federal awards may go undetected and decrease the reliability of financial data throughout the year.

Recommendation:

We recommend the Authority adopt procedures for controls over the year-end cutoff and reconciliation procedures to help ensure the information accurately reflects the policies of the Authority thereby increasing the reliability of the financial data at year-end.

Management's Response:

The Authority is taking the necessary steps to ensure proper cutoff procedures and timely reconciliations of general ledger balances.

3. Findings for Federal Audits

None noted.



Dave Yost • Auditor of State

STARK AREA REGIONAL TRANSIT AUTHORITY

STARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 30, 2016**