



OHIO AUDITOR OF STATE  
**KEITH FABER**





**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**BUTLER COUNTY**  
**DECEMBER 31, 2024**

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65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Butler County Regional Transit Authority, Butler County, Ohio as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Emphasis of Matter***

As discussed in Note 10 to the financial statements, during 2024, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

As discussed in Note 10 to the financial statements, during 2023, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2025, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

September 18, 2025

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**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(UNAUDITED)**

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

**Financial Highlights for 2024**

During 2024, the Authority adopted GASB Statement 101, Compensated Absences. This Statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB).

Compensated absences over one year of \$0.03 million for 2024, are presented with other long-term liabilities.

In January 2024, the agreement with Southwest Ohio Regional Transit Authority (SORTA), who operated BCRTA's park-n-ride express service from Butler County to Downtown Cincinnati ended. The service was restarted as CincyLink. CincyLink is Middletown Transit System's (MTS) commuter route operated by BCRTA connecting passengers between the cities of Middletown and Cincinnati. BCRTA is compensated for operating this route and all fares collected are remitted back to MTS.

In October 2024, BCRTA expanded the existing Oxford/Hamilton (R3) route to include a connection with SORTA located in Forest Park. This expansion increased the service hours on this route resulting in an increase to Intergovernmental Funding.

At the end of 2024, the Authority has a net position of \$30.03 million. This net position results from the difference between total assets and deferred outflows of resources related to Pensions and Postemployment Benefits Other Than Pensions (OPEB) of \$39.08 million and total liabilities and deferred inflows of resources related to Pensions and OPEB of \$9.05 million.

Current assets of \$13.85 million primarily consist of non-restricted Cash and Cash Equivalents of \$10.22 million; Intergovernmental/Accounts Receivable of \$3.01 million; and prepaids, bid deposits, and inventory of \$0.62 million. Cash and Cash Equivalents of \$10.22 million included \$8.91 million invested in the State Treasury Asset Reserve of Ohio (STAR Ohio).

Current liabilities of \$2.36 million primarily consist of Accounts Payable, Accrued Wages and related Payroll Accruals.

**Financial Highlights for 2023**

As a result of the implementation of GASB 101, Compensated absences of \$0.03 million for 2023 are now presented with other long-term liabilities. This amount was previously included in Accrued Payroll & Benefits. This implementation had no effect on 2023 Net Position.

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(UNAUDITED)**

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

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

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

Current liabilities of \$0.96 million primarily consist of Accounts Payable, Accrued Wages and related Payroll Accruals.

### **Basic Financial Statements and Presentation**

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

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

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

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

### **Notes to the Financial Statements**

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

### **Net Position**

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(UNAUDITED)**

**(Table 1)**  
**Butler County Regional Transit Authority**  
**Condensed Summary of Net Position**  
**For the Years Ended December 31, 2024, 2023, and 2022**

	<b>2024</b>	<b>2023*</b>	<b>2022 **</b>
Current Assets	\$13,849,416	\$10,674,993	\$8,656,390
Net Pension Asset	31,571	23,736	36,315
Net OPEB Asset	213,438	0	643,940
Capital Assets (Net of Accumulated Depreciation)	22,445,256	7,561,979	8,747,070
Deferred Outflows of Resources-Pensions	2,349,653	2,958,556	955,863
Deferred Outflows of Resources-OPEB	193,233	434,010	27,430
<b>Total Assets &amp; Deferred Outflows</b>	<b>39,082,567</b>	<b>21,653,274</b>	<b>19,067,008</b>
Current Liabilities	2,357,513	957,726	1,150,632
Compensated Absences	34,994	29,058	0
Subscription Liability	331,599	311,829	354,857
Net Pension Liability	6,195,070	6,546,369	1,769,488
Net OPEB Liability	0	140,871	0
Deferred Inflows of Resources-Pensions	5,545	5,553	2,194,572
Deferred Inflows of Resources-OPEB	130,322	46,460	694,881
<b>Total Liabilities &amp; Deferred Inflows</b>	<b>9,055,043</b>	<b>8,037,866</b>	<b>6,164,430</b>
<b>Net Position</b>			
Invested in Capital Assets	22,445,256	7,561,979	8,747,070
Unrestricted	7,582,268	6,053,429	4,155,509
<b>Total Net Position</b>	<b>\$30,027,524</b>	<b>\$13,615,408</b>	<b>\$12,902,578</b>

\* As restated due to implementation of GASB 101

\*\* As restated due to implementation of GASB 96

During fiscal year 2024, the Authority's current assets increased as BCRTA continued to utilize CRRSA 100% federal funds for general operating, state funds were received for a parking lot improvement project and interest earned on the STAR Ohio account remained strong. The STAR Ohio account had a balance of \$8.91 million at the end of 2024. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Capital assets increased with continued construction on the Chestnut Fields Multimodal Station facility.

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

**Statement of Revenues, Expenses and Changes in Net Position**

Table 2 reflects the changes in net position:

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(UNAUDITED)**

**(Table 2)**  
**Butler County Regional Transit Authority**  
**Condensed Summary of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2024, 2023, and 2022**

<b>Revenues:</b>	<b>2024</b>	<b>2023</b>	<b>2022 *</b>
Passenger Fares	\$452,770	\$301,973	\$184,466
State Operating Funds	0	270,960	158,408
Federal Operating Funds	5,084,555	5,720,314	5,371,354
Intergovernmental Funding	6,055,238	4,377,182	4,156,082
Gain on Sale of Assets	29,742	2,015	171
Federal Capital Funds	14,513,815	240,457	916,840
State Capital Funds	1,714,660	64,017	383,842
Sale of Non-Transportation Service	296,690	137,357	183,960
Other Income	407,131	262,267	100,035
<b>Total Revenues</b>	<b>28,554,601</b>	<b>11,376,542</b>	<b>11,455,158</b>
<b>Expenses:</b>			
Operating Expenses Net of Depreciation	10,098,903	8,630,846	7,997,952
Depreciation Expense	1,823,491	1,705,308	1,484,605
Net Pension and OPEB Expense	220,091	327,558	(1,208,292)
<b>Total Expenses</b>	<b>12,142,485</b>	<b>10,663,712</b>	<b>8,274,265</b>
Increase in Net Position During the Year	16,412,116	712,830	3,180,894
<b>Net Position, Beginning of Year</b>	<b>13,615,408</b>	<b>12,902,578</b>	<b>9,721,684</b>
<b>Net Position, End of Year</b>	<b>\$30,027,524</b>	<b>\$13,615,408</b>	<b>\$12,902,578</b>

\* As restated due to implementation of GASB 96

### **Financial Operating Results**

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

#### **Operating Revenues**

- **Passenger Fares – Demand Response/Contracts** – Fares paid by the public to ride the public bus service and public/contract fares paid by agencies on behalf of the rider.
- **State Operating Funds** – BCRTA receives State of Ohio Urban Transit Program (UTP) formula funds and Ohio Transit Partnership Program funds (OTP2) from Ohio's General Revenue Funds. In 2022, the Authority also received Rides to Community Immunity (RCI) funds.
- **Federal Operating Funds** – BCRTA receives Federal Transit Administration (FTA) general operating funds as part of our 5307 allocations, CARES Act funding, ARPA funding, CRSSA funding and funds from competitive grant programs.
- **Intergovernmental Funding Agreements** – BCRTA had an agreement with Southwest Ohio Regional Transit Authority (SORTA), who operates park-n-ride express service from Butler County to Downtown Cincinnati. The agreement divides a portion of Urbanized Federal Funds which are allocated to the Authority, to SORTA to operate this service. As a result of the pandemic, service

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
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provided by SORTA was suspended in early June 2020, and resumed in March 2021, reducing the funds allocated in 2021. The funds reported are the "gross" funds allocated to the Authority. This agreement ended in December 2023.

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

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

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

In January 2024, the CincyLink commuter route began operation. CincyLink is a Middletown Transit System's (MTS) commuter route operated by BCRTA connecting passengers between the cities of Middletown and Cincinnati. BCRTA is compensated for operating this route and all fares collected are remitted back to MTS.

In October 2024, the Oxford/Hamilton shuttle was extended to include a connection with SORTA located in Forest Park.

BCRTA maintains a contract with the Butler County Veterans Service Commission for the transportation of veterans.

#### **Non-Operating Revenues**

- **Gain/Loss on Sale of Assets** – Sale of surplus vehicles, property, and equipment.
- **Federal/State Capital Funds** – FTA and State funds for the purchase of capital assets.
- **Sale of Non-Transportation Services** – Funds received for management services provided to the city of Middletown Transit, as well as maintenance services for updates to the Middletown Transit Station.
- **Other Income** – Miscellaneous refunds, Bureau of Workers' Comp refunds, credits, and interest income.

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

**Labor and Fringe Benefits** - These personnel costs accounted for approximately 78% of the Authority operating expenses (excluding depreciation) in 2024 as compared to 71% in 2023. These costs increase or decrease due to variances in the overall pension expense recognized by OPERS as a result of GASB Statement 68, Accounting and Financial reporting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

BCRTA offers comprehensive employee benefits to full-time employees through the Health Transit Pool of Ohio including, Life, Short-Term Disability, Vision and Dental through fully insured plans. The medical plan is a fully insured High-Deductible Health plan utilizing United Healthcare. BCRTA funds a portion of the high deductible. In 2024, the benefits accounted for \$0.92 million of the reported \$2.73 million Fringe Benefit expense.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**Net Pension and Other Postemployment Benefits Expense**— This category includes pension/OPEB expense (income) recognized by OPERS as a result of GASB Statement 68, Accounting for Pensions, and GASB Statement 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

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

**Materials and Supplies** - These costs which include fuel, vehicle parts, general office supplies, and other miscellaneous supplies.

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

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

**Purchased Transportation** – This represents the cost to use another passenger transportation service on behalf of BCRTA. BCRTA utilizes Uber when needed for “Guaranteed Ride Home” trips. No federal dollars are used for payment to this third-party contractor. The park-n-ride service operated by SORTA for the Authority and discussed under Intergovernmental Funding in the revenue section ended in 2023.

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

**Capital Assets** – At the end of fiscal year 2024, the Authority had \$22,445,256 invested in land, operating facility, equipment, and vehicles. See Note 7 to the financial statements for additional detail. Table 3 shows fiscal year 2024 balances in comparison to 2023 balances:

**(Table 3)**  
**Butler County Regional Transit Authority**  
**Statement of Capital Assets**  
**For the Years Ended December 31, 2024, 2023, and 2022**

	2024	2023	2022 *
<b>Non-Depreciable Capital Assets</b>			
Land	\$294,000	\$294,000	\$294,000
<b>Depreciable Capital Assets</b>			
Operating Facility	19,015,112	4,132,430	3,844,087
Vehicles	13,117,150	12,090,246	12,087,369
Equipment & Misc.	2,135,376	2,082,542	2,259,469
Software Subscriptions	660,777	554,254	429,416
Total Depreciable Capital Assets	<hr/> 34,928,415	<hr/> 18,859,472	<hr/> 18,620,341
Total Cost	<hr/> 35,222,415	<hr/> 19,153,472	<hr/> 18,914,341
<b>Accumulated Depreciation</b>			
Operating Facility	(2,298,694)	(2,184,667)	(2,049,787)
Equipment	(1,505,020)	(1,095,742)	(889,311)
Vehicles	(8,728,123)	(8,197,917)	(7,226,218)
Software Subscriptions	(245,323)	(113,167)	(1,955)
Total Depreciation	<hr/> (12,777,159)	<hr/> (11,591,493)	<hr/> (10,167,271)
<b>Net Value</b>	<hr/> \$22,445,256	<hr/> \$7,561,979	<hr/> \$8,747,070

\* As restated due to implementation of GASB 96

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(UNAUDITED)**

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

**Request for Information**

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Chief Financial Officer, Butler County Regional Transit Authority, 6 S. 2<sup>nd</sup> Street, Ste 600, Hamilton, Ohio 45011.

**Butler County Regional Transit Authority**  
**Statement of Net Position**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Assets and Deferred Outflows of Resources</b>		
Current Assets:		
Cash, Cash Equivalents, and Investments	\$ 10,222,238	\$ 8,079,153
Intergovernmental Receivable	3,004,903	2,165,255
Accounts Receivable	17,761	3,902
Bid Deposits	96,792	53,024
Materials & Supplies Inventory	95,175	81,308
Prepays	412,547	292,351
Total Current Assets	<u>13,849,416</u>	<u>10,674,993</u>
Non-Current Assets:		
Net Pension Asset	31,571	23,736
Net OPEB Asset	213,438	-
Property, Facilities and Equipment		
Land - Non Depreciable	294,000	294,000
Operating Facility	19,015,112	4,132,430
Vehicles & Equipment	13,117,150	12,090,246
Furniture & Equipment	1,985,799	1,932,965
Amenities & Misc.	149,577	149,577
Software Subscriptions	660,777	554,254
Subtotal	<u>35,222,415</u>	<u>19,153,472</u>
Less Accumulated Depreciation	<u>(12,777,159)</u>	<u>(11,591,493)</u>
Total Property, Facility and Equipment (net of accumulated depreciation)	<u>22,445,256</u>	<u>7,561,979</u>
Total Non-Current Assets	<u>22,690,265</u>	<u>7,585,715</u>
Deferred Outflows of Resources - Pensions	2,349,653	2,958,556
Deferred Outflows of Resources - OPEB	193,233	434,010
Total Assets and Deferred Outflows of Resources	<u><u>\$ 39,082,567</u></u>	<u><u>\$ 21,653,274</u></u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current Liabilities:		
Accounts Payable	1,779,153	543,329
Accrued Payroll & Benefits	521,922	312,299
Unearned Funds	56,438	102,099
Total Current Liabilities	<u>2,357,513</u>	<u>957,726</u>
Compensated Absences	34,994	29,058
Subscription Liability	331,599	311,829
Net Pension Liability	6,195,070	6,546,369
Net OPEB Liability	-	140,871
Total Liabilities	<u>8,919,176</u>	<u>7,985,853</u>
Deferred Inflows of Resources - Pensions	5,545	5,553
Deferred Inflows of Resources - OPEB	130,322	46,460
<b>Net Position</b>		
Invested in Capital Assets	22,445,256	7,561,979
Unrestricted	7,582,268	6,053,429
Total Net Position	<u>30,027,524</u>	<u>13,615,408</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 39,082,567</u></u>	<u><u>\$ 21,653,274</u></u>

See Accompanying Notes to the Basic Financial Statements

**Butler County Regional Transit Authority**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating Revenues</b>		
Passenger Fares - Demand Response, Contracts	\$ 452,770	\$ 301,973
State Operating Funds	- -	270,960
Federal Operating Funds	5,084,555	5,720,314
Intergovernmental Funding	6,055,238	4,377,182
Total Operating Revenues	<u>11,592,563</u>	<u>10,670,429</u>
<b>Operating Expenses</b>		
Labor	5,129,128	3,846,637
Fringe Benefits	2,728,601	2,145,653
Net Pension and Other Postemployment Benefits Expense	220,091	327,558
Contract Services	601,985	678,641
Materials & Supplies	1,037,402	867,440
Utilities	86,177	80,716
Casualty & Liability Insurance	313,151	278,272
Purchased Transportation	5,239	519,744
Depreciation Expense	1,823,491	1,705,308
Other	197,220	213,744
Total Operating Expenses	<u>12,142,485</u>	<u>10,663,712</u>
<b>Operating Gain (Loss)</b>	(549,922)	6,717
<b>Non-Operating Revenues (Expenses)</b>		
Gain/Loss on Sale of Capital Asset	29,742	2,015
Federal Capital Funds	14,513,815	240,457
State Capital Funds	1,714,660	64,017
Sale of Non-Transportation Services	296,690	137,357
Other Income	407,131	262,267
Total Non-Operating Revenue	<u>16,962,038</u>	<u>706,113</u>
<b>Net Gain (Loss)</b>	16,412,116	712,830
<b>Net Position, Beginning of Year *(restated)</b>	<u>13,615,408</u>	<u>12,902,578</u>
<b>Net Position, End of Year</b>	<u><u>\$ 30,027,524</u></u>	<u><u>\$ 13,615,408</u></u>

See Accompanying Notes to the Basic Financial Statements

**Butler County Regional Transit Authority**  
**Statement of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Cash Received From Customers	\$ 10,739,055	\$ 9,884,820
Cash Payments - Suppliers for Goods & Services	(1,064,878)	(2,778,903)
Cash Payments - Employees for Wages & Fringes	(7,642,170)	(6,014,419)
Net Cash Provided (Used) by Operating Activities	<u>2,032,007</u>	<u>1,091,498</u>
<b>Non-Capital Financing Activities</b>		
Bid Deposit Disbursed	(43,768)	-
Non-Transit Funds	703,822	399,624
Prepays - Other	(120,196)	(121,624)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>539,858</u>	<u>278,000</u>
<b>Capital and Related Financing Activities</b>		
Improvements to Operating Facility	(14,882,682)	(288,343)
Purchase of Vehicles & Equipment	(1,593,192)	(88,995)
Purchase of Equipment & Furniture	(124,371)	(18,041)
Purchase of Amenities & Misc.	-	-
Software Subscriptions	(106,523)	(124,838)
Subscription Liability	19,770	(52,867)
Federal Capital Funds	14,513,815	240,457
State Capital Funds	1,714,660	64,017
Proceeds from Disposal of Fixed Asset	29,742	2,015
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(428,781)</u>	<u>(266,596)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,143,085</b>	<b>1,102,902</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>8,079,153</b>	<b>6,976,252</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$ 10,222,238</u></b>	<b><u>\$ 8,079,153</u></b>

<b>Reconciliation of Operating Gain (Loss) to Net Cash Provided (Used) in Operating Activities</b>			
Operating Gain (Loss)	\$ (549,922)	\$	6,717
Adjustments to Reconcile Operating Gain (Loss) to Net Cash Used in Operating Activities			
Depreciation	1,823,491	1,705,308	
Changes in Assets & Liabilities:			
Accounts/Intergovernmental Receivables	(853,508)	(785,609)	
Accounts Payable	1,235,824	(104,605)	
Accrued Payroll & Benefits	209,623	(51,187)	
Accrued Tickets & Reserves	(45,661)	(37,113)	
Materials & Inventory Supplies	(13,867)	1,372	
Compensated Absences	5,936	29,058	
Net Pension Asset	(7,835)	12,579	
Net Pension Liability	(351,299)	4,776,881	
Net OPEB Asset	(213,438)	643,940	
Net OPEB Liability	(140,871)	140,871	
Deferred Outflows - Pensions	608,903	(2,002,693)	
Deferred Outflows - OPEB	240,777	(406,580)	
Deferred Inflows - Pensions	(8)	(2,189,019)	
Deferred Inflows - OPEB	83,862	(648,421)	
Net Cash Provided (Used) in Operating Activities	<u>\$ 2,032,007</u>	<u>\$ 1,091,498</u>	

See Accompanying Notes to the Basic Financial Statements

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

**1. DESCRIPTION OF THE AUTHORITY AND REPORTING ENTITY**

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

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

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

**3. EQUITY IN CASH AND DEPOSITS AND INVESTMENTS**

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

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

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

At both December 31, 2024, and December 31, 2023, the Authority had \$1,050 in undeposited cash on hand which is included on the financial statements of the Authority as part of “Cash, Cash Equivalents, and Investments”.

The Authority had bank balance and carrying amount of \$1,315,840 and \$1,307,201 respectively at December 31, 2024, and \$3,078,279 and \$3,048,667 respectively at December 31, 2023 with financial institutions authorized to accept public funds. Of the bank balance at December 31, 2024 \$250,000 was covered by federal depository insurance and \$1,065,840 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Authority’s name. Of the bank balance at December 31, 2023 \$250,000 was covered by federal depository insurance and \$2,828,279 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the Authority’s name.

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

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

At December 31, 2024, the Authority had excess funds of \$8.91 million invested in STAR Ohio. STAR Ohio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79 Certain External Investment Pools and Pool Participants. BCRTA measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

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

For 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice to PFA is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**4. DEFINED BENEFIT PENSION PLANS**

**Net Pension Liability**

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

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

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

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

**Plan Description - Ohio Public Employees Retirement System (OPERS)**

BCRTA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Effective January 1, 2022 the Combined Plan is no longer available for member selection. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the Combined Plan with the Traditional Pension Plan with the timing of the consolidation at the discretion of OPERS.

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

**4. DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

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

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

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

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Continued)

**4. DEFINED BENEFIT PENSION PLANS (Continued)**

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

**Funding Policy** - Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, no portion of the employer contribution rate was allocated to health care for the Traditional Pension Plan. The employer contribution as a percent of covered payroll deposited for the Combined Plan and Member-Directed Plan health care programs in 2023 was 2.0% and 4.0%, respectively.

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

ORC Chapter 145 assigns authority to the Board to amend the funding policy. As of December 31, 2023, the Board adopted the contribution rates recommended by the actuary. The contribution rates were included in a funding policy adopted by the Board in October 2013, and are certified periodically by the Board as required by the ORC.

As of December 31, 2023, the date of the last pension actuarial study, the funding period for all defined benefits of the System was 15 years.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution was \$775,883 for 2024.

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

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

	<u>Traditional Plan</u>	<u>Combined Plan</u>
Proportionate Share of the Net Pension Liability/(Asset)	\$6,195,070	(\$31,571)
Proportion of the Net Pension Liability	0.023663%	0.010271%
Pension Expense	991,279	4,188

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
**(Continued)**

**4. DEFINED BENEFIT PENSION PLANS (Continued)**

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

	Traditional Plan	Combined Plan	Total
<b>Deferred Outflows of Resources - Pensions</b>			
Difference between expected and actual experience	\$101,253	\$1,279	\$102,532
Changes in proportion and differences in assumptions	237,688	8,164	245,852
Net difference between projected and actual earning on pension plan investments	1,250,429	5,135	1,255,564
BCRTA contributions subsequent to the measurement date	<u>738,378</u>	<u>7,327</u>	<u>745,705</u>
<b>Total Deferred Outflows of Resources - Pensions</b>	<b><u>\$2,327,748</u></b>	<b><u>\$21,905</u></b>	<b><u>\$2,349,653</u></b>

**Deferred Inflows of Resources - Pensions**

Differences between expected and actual experience	\$0	\$3,123	\$3,123
Changes in proportion and differences in assumptions	0	2,422	2,422
Net difference between projected and actual earning on pension plan investments	0	0	0
<b>Total Deferred Inflows of Resources - Pensions</b>	<b>\$0</b>	<b>\$5,545</b>	<b>\$5,545</b>

The reported \$745,705 as deferred outflows of resources related to pension resulting from BCRTA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025.

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

	Traditional Plan	Combined Plan
<b>Year Ending December 31:</b>		
2024	\$312,462	\$784
2025	419,324	1,412
2026	797,954	2,959
2027	(178,056)	(850)
2028	0	86
Thereafter	<u>0</u>	<u>72</u>
<b>Total</b>	<b><u>\$1,351,683</u></b>	<b><u>\$4,463</u></b>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**4. DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions – Pensions**

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2023, using the following actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 67.

Key Methods and Assumptions Used in Valuation of Total Pension Liability		
Actuarial Information	Traditional Pension Plan	Combined Plan
Measurement and Valuation Date	December 31, 2023	December 31, 2023
Experience Study	5-Year Period Ended December 31, 2020	5-Year Period Ended December 31, 2020
Actuarial Cost Method	Individual entry age	Individual entry age
Actuarial Assumptions		
Investment Rate of Return	6.90%	6.90%
Wage Inflation	2.75%	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)	2.75%-8.25% (includes wage inflation at 2.75%)
Cost-of-living Adjustments	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees 2.30% Simple through 2023, then 2.05% Simple	Pre-1/7/2013 Retirees: 3.00% Simple Post-1/7/2013 Retirees: 2.30% Simple through 2023, then 2.05% Simple

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

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

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(Continued)

**4. DEFINED BENEFIT PENSION PLANS (Continued)**

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

BCRTA's Net Pension Liability/(Asset) as of December 31, 2023	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Traditional Plan	\$9,753	\$6,195	\$3,236
Combined Plan	(\$19)	(\$32)	(\$41)

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Other Investments	7.00	7.84
<b>TOTAL</b>	<b><u>100.00%</u></b>	

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

**Net OPEB Liability/Asset**

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

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

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

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

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

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

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

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payments, and interest accruals during the year.

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

<hr/> <b>OPERS</b> <hr/>	
Proportion of the Net OPEB Liability	
Current Measurement Date	0.0236490 %
Proportionate Share of the Net	
OPEB Liability (Asset)	(\$213,438)
OPEB Expense (Income)	(\$20,003)

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

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

<u>OPERS</u>	
<b>Deferred Outflows of Resources - OPEB</b>	
Difference between expected and actual experience	\$0
Changes in assumptions	54,950
Changes in proportion and differences in assumptions	432
Net difference between projected and actual earning on pension plan investments	128,182
BCRTA contributions subsequent to the measurement date	<u>9,669</u>
<b>Total Deferred Outflows of Resources - OPEB</b>	<b><u>\$193,233</u></b>
<b>Deferred Inflows of Resources - OPEB</b>	
Differences between expected and actual experience	\$30,378
Changes in proportion and differences in assumptions	99,944
Net difference between projected and actual earning on pension plan investments	<u>0</u>
<b>Total Deferred Inflows of Resources - OPEB</b>	<b><u>\$130,322</u></b>

The reported \$9,669 as deferred outflows of resources related to OPEB resulting from BCRTA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025.

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

<u>OPEB</u>	
Year Ending December 31:	
2024	(\$5,416)
2025	9,923
2026	99,778
2027	(43,282)
2028	0
Thereafter	<u>0</u>
<b>Total</b>	<b><u>\$61,003</u></b>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**5. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS (Continued)**

**Actuarial Assumptions – OPEB**

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

Projections of health care costs for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between the System and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023.

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

Key Methods and Assumptions Used in Valuation of Total OPEB Liability	
Actuarial Information	
Actuarial Valuation Date	December 31, 2022
Rolled-Forward Measurement Date	December 31, 2023
Experience Study	5-Year Period Ended December 31, 2020
Actuarial Assumptions	
Single Discount Rate	5.70%
Investment Rate of Return	6.00%
Municipal Bond Rate	3.77%
Wage Inflation	2.75%
Projected Salary Increases	2.75%-10.75% (includes wage inflation at 2.75%)
Health Care Cost Trend Rate	5.5% initial, 3.5% ultimate in 2038

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

**Discount Rate - OPEB** A single discount rate of 5.70% was used to measure the total OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22%. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate based on the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.77%.

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

The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Health Care Trend Rate*** The following table presents the net OPEB liability or asset calculated using the single discount rate of 5.7%, and the expected net OPEB liability or asset if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

As of December 31, 2023	1% Decrease (4.7%)	Current Discount Rate (5.7%)	1% Increase (6.7%)
BCRTA's Net OPEB Liability (Asset)	\$117	(\$214) (in thousands)	(\$487)

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

As of December 31, 2023	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
BCRTA's Net OPEB Liability (Asset)	(\$222)	(\$214) (in thousands)	(\$203)

The allocation of investment assets within the Health Care portfolio is approved by the Board as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. The System's primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit pension plans. Health care is a discretionary benefit.

Best estimates of geometric real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
REITs	5.00	4.68
International Equities	25.00	5.16
Other Investments	8.00	6.81
<b>TOTAL</b>	<b>100.00%</b>	

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

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

**6. RISK MANAGEMENT**

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

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

**7. CAPITAL ASSETS – 2024**

	January 1, 2024	Additions	Deletions	December 31, 2024
<b>Non-Depreciable Capital Assets</b>				
Land	\$294,000	\$ -	\$ -	\$294,000
<b>Depreciable Capital Assets</b>				
Operating Facility	4,132,430	14,882,682	-	19,015,112
Equipment	2,082,542	210,648	(157,814)	2,135,376
Vehicles	12,090,246	1,593,192	(566,288)	13,117,150
Software Subscriptions	554,254	123,985	(17,462)	660,777
Total Depreciable Capital Assets	18,859,472	16,810,507	(741,564)	34,928,415
Total Cost	\$19,153,472	\$16,810,507	(\$741,564)	\$35,222,415
<b>Accumulated Depreciation</b>				
Operating Facility	(2,184,667)	(114,027)	-	(2,298,694)
Equipment	(1,095,742)	(480,815)	71,537	(1,505,020)
Vehicles	(8,197,917)	(1,096,493)	566,288	(8,728,123)
Software Subscriptions	(113,167)	(132,155)	-	(245,322)
Total Depreciation	(\$11,591,493)	(\$1,823,491)	\$637,825	(\$12,777,159)
<b>Net Value</b>	<b>\$7,561,979</b>	<b>\$14,987,016</b>	<b>(\$103,739)</b>	<b>\$22,445,256</b>

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**7. CAPITAL ASSETS – 2024 (Continued)**

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

**8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

The Authority recognizes an intangible subscription asset and corresponding subscription liability for its subscription-based information technology agreements with others. These arrangements have terms between one and five years requiring monthly, quarterly or annual payments. The expected payments are discounted using the interest rate charged on the arrangement, if available, or are otherwise discounted using the borrowing rate provided by local financial establishments. A summary of changes in the subscription-based information technology agreement liabilities for the year ended December 31, 2024, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current
Subscription-based information technology liabilities	\$311,829	302,149	(282,379)	\$331,599	\$331,599

**9. COMPENSATED ABSENCES**

The Authority offers employees paid time off (PTO). These benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable the Authority will compensate employees for the benefits through time off or some other means. An annual accrual for PTO balances at year end is made to the extent that it is probable that benefits will result in future payments. Current amounts are included in Accrued Payroll & Benefits and those due in more than one year are included as Compensated Absences.

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**9. COMPENSATED ABSENCES (Continued)**

In accordance with GASB Statement No. 101, the Authority has recognized a liability for compensated absences that meet the recognition criteria: (1) the leave is attributable to services already rendered, (2) it accumulates, and (3) it is more likely than not to be used for time off or otherwise paid. The liability is measured using the pay rates in effect as of the financial statement date, including applicable salary-related payments such as employer-paid payroll taxes.

The following table summarizes the activity related to compensated absences during the fiscal year ended December 31, 2024:

	Beginning Balance	Net Change	Ending Balance	Amounts due in One Year
Compensated Absences	\$193,720	47,433	\$241,153	\$34,994

**10. CHANGE IN ACCOUNTING PRINCIPLE**

During 2024, the Authority adopted the provisions of GASB Statement No. 101, Compensated Absences. This Statement establishes a single recognition and measurement model for all types of compensated absences and replaces the previous guidance provided in GASB Statement No. 16. Under GASB 101, liabilities for compensated absences are recognized when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used or paid.

While implementation of GASB 101 did not result in a change to the Authority's total net position, it did result in changes to the classification and reporting of certain compensated absences liabilities in 2023. These changes are reflected below:

	December 31, 2023	December 31, 2024
Accrued Payroll & Benefits	\$341,357	\$312,299
Compensated Absences	\$0	\$29,058

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

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

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**11. CONTINGENT LIABILITIES**

For the period January 1, 2024, to December 31, 2024, the Authority received federal grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the Authority believes such disallowance, if any, would be immaterial.

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$775,883	\$584,493	\$520,584	\$448,833	\$412,417
Contributions in Relation to the Contractually Required Contribution	<u>\$775,883</u>	<u>\$584,493</u>	<u>\$520,584</u>	<u>\$448,833</u>	<u>\$412,417</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
BCRTA Covered-Employee Payroll	<u>\$5,542,021</u>	<u>\$4,311,002</u>	<u>\$3,718,582</u>	<u>\$3,211,275</u>	<u>\$2,996,962</u>
Contribution as a Percentage of Covered-Employee Payroll	14.0%	14.0%	14.0%	14.0%	13.8%

	2019	2018	2017	2016	2015
Contractually Required Contribution	\$431,325	\$381,945	\$379,837	\$366,899	\$345,054
Contributions in Relation to the Contractually Required Contribution	<u>\$431,325</u>	<u>\$381,945</u>	<u>\$379,837</u>	<u>\$366,899</u>	<u>\$345,054</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
BCRTA Covered-Employee Payroll	<u>\$3,096,071</u>	<u>\$2,848,966</u>	<u>\$2,787,620</u>	<u>\$2,710,406</u>	<u>\$2,532,610</u>
Contribution as a Percentage of Covered-Employee Payroll	13.9%	13.4%	13.6%	13.6%	13.5%

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

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

	2023	
	Traditional Plan	Combined Plan
BCRTA's proportion of the Net Pension Liability/(Asset)	0.023663%	0.010271%
BCRTA's Proportionate Share of the Net Pension Liability/(Asset)	\$6,195,070	(\$31,571)
BCRTA's Covered-Employee Payroll	\$4,311,002	\$4,311,002
BCRTA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	143.7%	-0.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.01%	144.55%

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

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

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

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

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

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

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

	2024	2023	2022	2021	2020
Contractually Required Contribution	\$9,669	\$9,312	\$9,445	\$8,493	\$7,635
Contributions in Relation to the Contractually Required Contribution	\$9,669	\$9,312	\$9,445	\$8,493	\$7,635
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
BCRTA Covered-Employee Payroll	<u>\$5,542,021</u>	<u>\$4,311,002</u>	<u>\$3,718,582</u>	<u>\$3,211,275</u>	<u>\$2,996,962</u>
Contribution as a Percentage of Covered-Employee Payroll	0.17%	0.22%	0.25%	0.26%	0.25%
	2019	2018	2017	2016	2015
Contractually Required Contribution	\$7,905	\$9,083	37,182	\$59,466	\$42,758
Contributions in Relation to the Contractually Required Contribution	\$7,905	\$9,083	37,182	\$59,466	\$42,758
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
BCRTA Covered-Employee Payroll	<u>\$3,096,071</u>	<u>\$2,848,966</u>	<u>\$2,787,620</u>	<u>\$2,710,406</u>	<u>\$2,532,610</u>
Contribution as a Percentage of Covered-Employee Payroll	0.25%	0.32%	1.33%	2.19%	1.69%

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

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

	2023	2022	2021
BCRTA's proportion of the Net OPEB Liability	0.023649%	0.022342%	0.020559%
BCRTA's Proportionate Share of the Net OPEB Liability (Asset)	(\$213,438)	\$140,871	(\$643,940)
BCRTA's Covered-Employee Payroll	\$4,311,002	\$3,718,582	\$3,211,275
BCRTA's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	-4.95%	3.79%	-20.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	107.76%	94.79%	128.23%
	2020	2019	2018
BCRTA's proportion of the Net OPEB Liability	0.01949%	0.020393%	0.018809%
BCRTA's Proportionate Share of the Net OPEB Liability (Asset)	(\$347,230)	\$2,816,803	\$2,452,250
BCRTA's Covered-Employee Payroll	\$2,996,962	\$3,096,071	\$2,848,966
BCRTA's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	-11.59%	90.98%	86.07%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	115.57%	47.80%	43.33%
	115.57%	43.33%	115.57%

(1) Information prior to 2017 is not available.

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

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

<b>FEDERAL GRANTOR</b> Program Title	<b>Federal</b> <b>CFDA</b> <b>Number</b>	<b>Grant</b> <b>Number</b>	<b>Federal</b> <b>Expenditures</b>
<b>U.S. Department of Transportation</b>			
<b>Federal Transit Cluster:</b>			
5307 - Urbanized Area Formula Program	20.507	OH-2021-060	6,011,388
5307 - Urbanized Area Formula Program	20.507	OH-2021-056	649,953
COVID-19 5307 – CRSS Act	20.507	OH-2021-038	5,549,068
5339 - Bus and Bus Facilities Program	20.526	OH-2021-060	529,691
5339 - Bus and Bus Facilities Program	20.526	OH-2021-060	2,552,994
5339 - Bus and Bus Facilities Program	20.526	OH-2021-056	73,117
5339 - Bus and Bus Facilities Program	20.526	OH-2018-021	45,422
STBG - Surface Transportation Block Grant	20.507	OH-2021-060	2,983,855
CMAQ - Congestion Mitigation and Air Quality	20.507	OH-2018-021	1,122,875
<b>Total Federal Transit Cluster</b>			19,518,363
<b>Transit Services Program Cluster:</b>			
Individuals with Disabilities Program	20.513	OH-2023-022	25,503
<b>Total Transit Services Program Cluster</b>			25,503
<b>Total U.S. Department of Transportation</b>			19,543,866
<b>Total Expenditures of Federal Awards</b>			<b>\$ 19,543,866</b>

The accompanying notes are an integral part of this schedule

**BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler County Regional Transit Authority (the Authority's) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – MATCHING REQUIREMENTS**

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

**NOTE D – INDIRECT COST RATE**

The Authority has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Butler County Regional Transit Authority, Butler County, Ohio (the Authority) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 18, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

Butler County Regional Transit Authority  
Butler County  
Independent Auditor's Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*  
Page 42

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



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

September 18, 2025



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

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

To the Board of Trustees:

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Butler County Regional Transit Authority's, Butler County, (Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Butler County Regional Transit Authority's major federal program for the year ended December 31, 2024. Butler County Regional Transit Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Butler County Regional Transit Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

***Basis for Opinion on the Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control Over Compliance***

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

Butler County Regional Transit Authority

Butler County

Independent Auditor's Report on Compliance with Requirements

Applicable to the Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

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

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

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

KEITH FABER

Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM

Chief Deputy Auditor

September 18, 2025

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BUTLER COUNTY REGIONAL TRANSIT AUTHORITY  
BUTLER COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2024

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.



# OHIO AUDITOR OF STATE KEITH FABER



BUTLER COUNTY REGIONAL TRANSIT AUTHORITY

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/25/2025

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)