Central Ohio Transit Authority
Franklin County, Ohio

Independent Auditors' Reports on
Internal Controls and Compliance
and Schedule of Expenditures of Federal Awards
and Agreed-Upon Procedures Report on Section 9 Certification

December 31, 2016

CLARK SCHAEFER HACKETT
CPAs & Advisors

Board of Trustees
Central Ohio Transit Authority
33 North High Street
Columbus, Ohio 43215

We have reviewed the *Independent Auditor's Report* of the Central Ohio Transit Authority, Franklin County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2016 through December 31, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Dave Yost

Dave Yost
Auditor of State

May 26, 2017

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CLARK SCHAEFER HACKETT
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Central Ohio Transit Authority
Columbus, Ohio 43215

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Central Ohio Transit Authority (the Authority), which comprise the statement of net position as of December 31, 2016 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 5, 2017.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 may exist that have not been identified.

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

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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 5, 2017

CLARK SCHAEFER HACKETT
CPAs & Advisors

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Central Ohio Transit Authority
Columbus, Ohio 43215

Report on Compliance for Each Major Federal Program
We have audited Central Ohio Transit Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Auditors' Responsibility
Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program
In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the Authority as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated May 5, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 5, 2017

CENTRAL OHIO TRANSIT AUTHORITY

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Grantor/Title:	CFDA #	Grant #	Federal Expenditures
U. S. Department of Transportation			
Federal Transit Cluster			
Federal Transit Administration (FTA):			
Urbanized Area Formula Program	20.507	OH-90-X829	1,100,656
	20.507	OH-90-X826	1,338,808
	20.507	OH-2016-049-00	7,178,349
Total Urbanized Area Formula Program			9,617,813
Capital Investment Program	20.500	OH-2016-001-00	7,189,632
Bus and Bus Facilities Formula Program	20.526	OH-34-0016	571,359
Total Bus and Bus Facilities Formula Program			571,359
Total Federal Transit Cluster			17,378,804
U. S. Department of Transportation -			
Federal Transit Administration (FTA):			
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	OH-16-X019	41,852
		OH-2016-058-00	520,234
			562,086
Total U.S. Department of Transportation			**17,940,890**
Total Federal Financial Assistance			**$ 17,940,890**

See notes to schedule of expenditures of federal awards.

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal financial assistance programs of the Authority. The Authority's reporting entity is defined in Note 1 to the Authority's financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, activities and cash flows of the Authority for the year ended December 31, 2016.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

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

Pass-through entity identifying numbers are presented where available. In addition, the Authority did not pass-through any federal awards to subreceipients during the year ended December 31, 2016.

3. MATCHING REQUIREMENTS

Certain federal programs require the Authority to contribute non-federal funds (matching funds) to support federally-funded programs. The Authority has complied with the matching requirements. The expenditures of non-federal (matching) funds are not included on the Schedule.

4. RELATIONSHIP OF FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports.

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	None noted
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None noted
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	None noted

Identification of major programs:

Federal Transit Cluster:
CFDA 20.500 – Capital Investment Program Grants
CFDA 20.507 – Urbanized Area Formula Grants
CFDA 20.526 – Bus and Bus Facilities Formula Program

Dollar threshold to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted

Section III – Federal Awards Findings and Questioned Costs

None noted

Section IV – Summary of Prior Audit Findings and Questioned Costs

None noted

CLARK SCHAEFER HACKETT
CPAs & ADVISORS

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Trustees
Central Ohio Transit Authority
Columbus, Ohio 43215

We have performed the applicable procedures enumerated in the Federal Funding Allocation Statistics Form (FFA-10), which were agreed to by the Central Ohio Transit Authority (the Authority) and the Federal Transit Administration (FTA), solely to assist you in complying with the reporting requirements of the Declarations section of the *2016 Policy Manual,* for the year ended December 31, 2016. Management of the Authority is responsible for compliance with the requirements of the *Uniform System of Accounts (USOA) and Records and Reporting System, Final Rule*, as specified in 49 CFR Part 630, *Federal Register*, January 15, 1993, and as presented in the *2016 Policy Manual*. The Authority's management is responsible for the Authority's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Authority and the FTA. Consequently, we make no representation regarding the sufficiency of the procedures in the attached appendix, either for the purpose for which this report has been requested or for any other purpose.

FTA has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics Form of the Authority's annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual VRM data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

The procedures were applied separately to each of the information systems used to develop the reported vehicle revenue miles, passenger miles and operating expenses of the Authority for the fiscal year ended December 31, 2016 for each of the following active modes:

- Motor Bus – Directly Operated
- Demand Response – Purchased Transportation

The following information and findings came to our attention as a result of performing the procedures described in the attachment to this report:

None Noted

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the requirements of the Uniform System of Accounts And Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2016 Policy Manual for the year ended December 31, 2016. Accordingly we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report relates only to the information described above and does not extend to the Authority's financial statements taken as a whole, or the forms in the Authority's NTD report, other than the Federal Funding Allocation Statistics Form, for any date or period.

This report is intended solely for the information and use of the Authority's management, the Auditor of State of Ohio and the Federal Transit Administration and is not intended to be, and should not be, used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 5, 2017

Section 9 Certification – Agreed-Upon Procedures

1. Discussed procedures related to the system for reporting and maintaining data in accordance with the NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993 and as presented in the 2016 Policy Manual. If procedures were not written, discussed the procedures with the personnel assigned responsibility of supervising the NTD data preparation and maintenance.

2. Discussed the procedures with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data to determine:
    - The extent to which the transit agency followed the procedures on a continuous basis, and
    - Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, and January 15, 1993 and as presented in the 2016 Policy Manual.

3. Inquired of same personnel concerning the retention policy that is followed by the transit agency with respect to source documents supporting the NTD data reported on the Federal Funding Allocation Statistics form.

4. Based on a description of Authority's procedures obtained in items 1 and 2 above, identified all the source documents which are to be retained by the Authority for a minimum of three years. For each type of source document, selected three months out of the year and observed that each type of document exists for each of these periods.

5. Discussed the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquired whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.

6. We did not review selected source documents to ascertain whether signatures were present as the Authority does not review hard copy documents. Data is prepared using the scheduling and Automatic Passenger Counters (APC) system. The annual analytical review is performed online by someone independent of the data entry in lieu of signatures. Evidence of this online review and other review of electronic reports was noted.

7. Obtained the worksheets utilized by the Authority to prepare the final data that is transcribed onto the Federal Funding Allocation Statistics form. Compared the periodic data included on the worksheets to the periodic summaries prepared by the Authority. Tested the arithmetical accuracy of the summaries.

8. Discussed the Authority's procedures for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with the Authority's staff, noting that the Authority uses an estimate of passenger miles based on statistical sampling that meets the FTA's 95% confidence and 10% precision requirements. The Authority uses an alternative sampling procedure and, therefore, we inquired whether the procedure was approved by the FTA.

9. Discussed with transit agency staff the Authority's eligibility to conduct statistical sampling for PMT data every third year. Determined whether the Authority meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. However, the Authority has elected to conduct statistical samples on an annual basis.

10. Obtained a description of the sampling procedure for estimation of PMT data used by the Authority. We were informed that the Authority's sampling procedures for the estimation of passenger mile data is substantially as described in the Authority's letter, submitted to the FTA, dated April 27, 1987. We noted no exceptions to the stated sampling procedures described in the above letter.

11. Obtained the passenger mile sample information generated from the APC system and, based on this information, recalculated the passenger miles for the year ended December 31, 2015.

12. Discussed the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles with Authority's staff, noting this requirement is not applicable to the Authority.

13. For actual vehicle revenue mile (VRM) data, documented the collection and recording methodology and determined that deadhead miles are systematically excluded from the computation.

14. Compared operating expenses with audited financial data, after reconciling items were removed.

15. Inquired of personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenues. Noted the PT fare revenues agreed to the amount reported on the Contractual Relationship form (B-30).

16. Obtained a copy of the PT contract and determined that the contract (1) specified the specific public transportation services to be provided; (2) specified the monetary consideration obligated by the transit agency contracting for the service; (3) specified the period covered by the contract and that this period overlaps the entire, or a portion of, the period covered by the Authority's NTD report; and (4) was signed by representatives of both parties to the contract. Inquired of the person responsible for the retention of the executed contract, and determined that copies of the contracts are retained for three years.

17. Compared the data reported on the Federal Funding Allocation Statistics Form to comparable data for the prior period report year and calculated the percentage change from the prior year to the current year. Fluctuations greater than 10% were investigated and explained and reported to NTD.

18. The following 2016 Policy Manual Section 9 test procedures were not applicable to the Authority and , therefore, were not performed:

    - Reporting Manual Section 9 Data Certification Procedures; n, o, p, q, r, s, t, w, and y.

COTA

CENTRAL OHIO TRANSIT AUTHORITY

2016

Comprehensive Annual Financial Report

FOR FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

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Central Ohio Transit Authority
Comprehensive Annual Financial Report
For the Fiscal Years Ended December 31, 2016 and 2015

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INTRODUCTORY SECTION

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COTA
CENTRAL OHIO TRANSIT AUTHORITY

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May 8, 2017

Board of Trustees of the
Central Ohio Transit Authority and
Residents of Central Ohio:

The Comprehensive Annual Financial Report (CAFR) of the Central Ohio Transit Authority (COTA) for the fiscal year ended December 31, 2016, is hereby submitted. This CAFR was prepared by the Finance Division and represents COTA's commitment to provide accurate, concise and high-quality financial information to its Board of Trustees, COTA stakeholders and other interested parties.

The CAFR contains financial statements and statistical data that provide full disclosure of all the material financial operations of COTA. The financial statements, supplemental schedules, statistical information and all data contained herein are the representations of COTA's management. COTA's management bears the responsibility for the accuracy and completeness of this CAFR.

Generally Accepted Accounting Principles require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found within the Financial Section immediately following the Independent Auditors' Report.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to COTA for its comprehensive annual financial report for the fiscal year ended December 31, 2015. This was the 27th consecutive year that COTA was recognized with the prestigious award. In order to be awarded a Certificate of Achievement, a government agency must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting the accompanying 2016 report to the GFOA to determine its eligibility for another certificate.

REPORTING ENTITY

General

The accompanying financial statements comply with the provisions of accounting principles generally accepted in the United States of America in that these financial statements include all of the organization, activities, functions and component units for which the Authority is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. COTA does not have financial accountability over any entities, and no governmental units other than COTA itself are included in the reporting entity. COTA is not included as a component unit in the reporting entity of any other governmental unit's financial statements. A complete discussion of COTA's reporting entity is included in footnote 1 of the financial statements.

COTA is an independent political subdivision of the State of Ohio with its own taxing power. COTA is not dependent upon appropriations from Franklin County, the City of Columbus or any other political subdivision for local funding. COTA is empowered by the Ohio Revised Code to issue general obligation debt secured by its own taxing power.

COTA was created by an agreement executed on Feb. 17, 1971, with Franklin County and the cities of Bexley, Columbus, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington. In 2008, an amended agreement was executed, which added the city of Dublin to COTA. COTA's territorial boundaries are conterminous with Franklin County and small portions of Delaware, Fairfield, Licking and Union counties.

COTA's vision and mission statements are respectively:

> *COTA will be the region's transportation leader.*
>
> *COTA is committed to excellence in serving our stakeholders including customers, employees and taxpayers. We will deliver quality transportation services and conduct business courteously, safely, ethically and reliably. We will demonstrate leadership that is fiscally responsible and environmentally conscientious.*

These statements are the focus of all operations and support functions.

Management—Board of Trustees

COTA is governed by a Board of Trustees vested by Ohio law with the powers necessary to manage COTA. The legislation and agreements establish that COTA provide for a 13-member board serving overlapping three-year terms. Board membership is apportioned as follows: City of Columbus, seven members; Franklin County, two members; and four members prorated among the eleven municipal corporations including Bexley, Dublin, Gahanna, Grandview Heights, Grove City, Hilliard, Reynoldsburg, Upper Arlington, Westerville, Whitehall and Worthington. The appointments of the members within the group are rotated among the municipal corporations. Members are appointed by the mayor of the appropriate municipal corporation with the consent of its city council. The Franklin County Board of Commissioners appoints the Franklin County representatives.

Administration

The President/CEO, who is appointed by the Board, directs the administration of COTA, subject to the policies and supervision of the Board. The President/CEO selects the senior leadership team. A Table of Organization depicting the key functional responsibilities is shown on page 12 of the introductory section.

Transportation Services—Fixed-Route Bus Service

COTA provides public transportation services within Franklin County as well as portions of Delaware, Fairfield, Licking and Union counties that are included within the municipal corporation limits of Columbus, Dublin, Westerville and Reynoldsburg. In 2016, service included 68 Local, Crosstown and Express fixed-bus routes, as well as the CBUS® downtown circulator and COTA AirConnect services.

COTA makes improvements and adjustments to its fixed-route system three times a year. These changes occur in January, May and September. At the end of 2016, COTA operated 1,118,776 annualized scheduled service hours.

To address increasing customer needs for fixed-route bus service, service changes focus on four key areas of improvement: increased service frequency, expanded service area coverage, expanded hours of operation, and decreased travel times.

Expanding and modernizing COTA's fleet of passenger coaches is an essential component toward initiating these improvements. At the end of 2016, there were 354 fixed-route buses in COTA's fleet. All new fixed-route transit buses purchased by COTA are powered by Compressed Natural Gas (CNG). A 12-year conversion program that began in 2013 will phase all diesel-powered, fixed-route buses out of the fleet. As of December 31, 2016, 124 CNG buses were in COTA's fleet.

Transportation Services—Paratransit Service

Mainstream is a demand-response, shared-ride paratransit service available to individuals whose disabilities prevent them from accessing COTA's fixed-route bus system. Mainstream provides transportation when a customer's origin and destination addresses are within three-quarters of a mile of an operating fixed-route line. The contracted service for Mainstream operates during the same hours as fixed-route bus service. Individuals wishing to use the service must complete an eligibility process and obtain an Americans with Disabilities Act (ADA) ID card. Certified customers must maintain their eligibility by recertifying every three years.

Ridership

COTA provided 18.8 million (fixed-route and paratransit) passenger trips in 2016.

Other Key Activities in 2016

COTA AirConnect Launched

In May, COTA AirConnect launched, offering direct express bus service between Downtown Columbus and the John Glenn Columbus International Airport. COTA staff and Board of Trustee members, representatives from Transport Workers Union, Local 208, elected officials, business, and community leaders rode COTA AirConnect to a special event at the airport to celebrate the launch.

Real-Time Bus Tracking Launches
Real-time tracking of COTA buses launched on Transit App in May. Real-time tracking also became available on Google Maps in November. This customer amenity provides live departure and arrival times for buses, as well as service alert information.

National Smart City Challenge Awarded to Columbus
In June, Columbus won the U.S. Department of Transportation's Smart City Challenge grant, which will transform mobility and transportation in Columbus. COTA is a key Smart Columbus partner, and several transportation corridors identified in the grant are already seeing significant COTA investment. In the Rickenbacker corridor, COTA has increased service and partnered with Groveport Rickenbacker Employee Access Transit (GREAT) to connect residents with more than 20,000 jobs. COTA's Easton Transit Center is being expanded to accommodate a significant increase in bus service in 2017. The Linden neighborhood will benefit from CMAX, the region's first Bus Rapid Transit (BRT) line.

CMAX Bus Rapid Transit
Construction began on COTA's highly anticipated CMAX Cleveland Avenue Bus Rapid Transit (BRT) line. A celebration and ceremonial groundbreaking was held in August at Fort Hayes Metropolitan Education Center, the future location of a CMAX station. When it launches on January 1, 2018, CMAX will be the first BRT line in central Ohio. It will connect more than 211,000 residents and 170,000 workers along Cleveland Avenue to jobs, healthcare and educational resources, and encourage economic development in the corridor. The 15.6-mile route will serve customers every 10 minutes between Downtown Columbus and SR-161 during rush hours, with service to Polaris Parkway/Africa Road every 30 minutes.

COTA Sales Tax Levy Renewed
Renewal of COTA's sales tax with 72 percent voting yes on Nov. 8 was the highlight of 2016. The renewal will continue the 0.25 percent sales tax through 2026. This vote of confidence validates the relevance of public transportation in our fast growing, innovative and smart region.

Recognitions
COTA was honored by *Columbus Business First* as one of the healthiest large employers (500+ employees) in Central Ohio. COTA ranked 10th among Large Employers.

COTA's CBUS® was honored with an EXPY Award by Experience Columbus for outstanding contributions to the Greater Columbus visitor experience.

COTA was among only 13 rail and mass transit agencies from across the nation to earn the Transportation Security Administration's (TSA) highest "Gold Standard" rating on Baseline Assessments for Security Enhancement for dedication to building a strong security program.

COTA's excellent financial reporting earned the Auditor of State Award with Distinction for the fourth year in a row.

COTA won the Spirit Award at the Operation Feed Finale for having one of the top three most creative Operation Feed campaigns.

Ologie, COTA's branding agency, won "Best in Show" for the *We Move Us* campaign at the Columbus American Advertising Awards.

Curtis Stitt, President/CEO, was honored with the Columbus Young Professions Club's (CYP Club) Young at Heart Award. The award honors individuals who support young professionals and philanthropic work for the benefit of all of the central Ohio community.

Transit System Redesign
Bus service throughout the region will be enhanced when COTA launches a redesigned bus network on May 1, 2017. The Transit System Redesign (TSR) is a complete overhaul of the COTA network that will provide simplified routes, increased frequency, connections to more places, reduced bus congestion downtown, and service to more jobs.

COTA conducted a Transit System Review to evaluate the entire bus network, and recommend how to maximize service and resources to substantially update and improve service. The resulting plan was accepted by the COTA Board of Trustees, and places a strong emphasis on high frequency service in high density corridors, while maintaining coverage service to suburban and less dense areas. The TSR is intended to better meet the needs of the rapidly growing region, and make COTA service more appealing and responsive to both current and potential riders. In 2016, COTA staff planned the implementation of the TSR, began work on infrastructure improvements necessary to the transition, and educated community stakeholders about the forthcoming changes.

NextGen
Central Ohio is expected to grow by up to one million residents by 2050. As the region attracts new investment and more jobs to support this population growth, demand and expectations for transportation are changing. NextGen is COTA’s long-range transit visioning effort to identify public transit needs and opportunities out to 2050.

Technical work, ridership projections and stakeholder outreach took place in 2016. When completed, NextGen will recommend transit system enhancements, including a prioritized list of high-capacity transit projects, improvements to the bus system, and smart mobility options, such as demand response service. The final report will feature estimated costs for these projects, and strategies for implementation by public agencies and the private sector.

The NextGen plan coincides with the City of Columbus thoroughfare plan, Connect ColumbUS, and the Mid-Ohio Regional Planning Commission (MORPC) multi-modal Metropolitan Transportation Plan.

Facilities Owned

William J. Lhota Building, 33 N. High St., is a 78,000 square-foot, 10-story office building in downtown Columbus which houses COTA’s administrative and customer pass sales functions. The facility also serves as the Downtown coach operator sign-in station.

McKinley Operations, 1600 McKinley Ave., was constructed in 1980, and is the larger of COTA’s two fixed-route bus operations and maintenance facilities. The facility houses both heavy and light bus maintenance operations, COTA’s customer information call center, and indoor storage capacity for 240 buses. COTA is renovating the facility in three phases. Phase 3 began in 2014, and includes renovation of the building lobby, bus wash, operator dayroom and administrative offices. The new dayroom and two new bus washes were completed in 2016, which increased the facility to a 430,000-square-foot building that meets LEED “silver” specifications. Construction of a satellite CNG fueling station is planned to be constructed in 2017. The final phase of the renovation will focus on the façade of the facility and the maintenance shops, and is projected to start design in 2017.

Fields Operations, 1333 Fields Ave., is a 283,000 square-foot facility with storage for 200 fixed-route buses and space for several light-maintenance work areas. A feasibility study to convert operations to CNG will be completed in 2017.

Mobility Services, 1330 Fields Ave., is a 104,000 square-foot building housing COTA's paratransit operations. The facility has capacity for 104 paratransit vehicles. All Mobility Services operations, including reservations, scheduling and dispatching, occur at the facility. The facility features six vehicle maintenance bays, two fueling islands, and a bus wash. It also houses a state-of-the-art eligibility assessment center.

Street and Remote Operations, 1325 Essex Ave., is a 12,000 square-foot facility on the Fields Avenue Campus. The building houses COTA's Street and Remote operations.

Linden Transit Center, 1390 Cleveland Ave., is a 20,500-square-foot facility located at the corner of Cleveland and 11th avenues. The transit center houses a Nationwide Children's Primary Care Center to provide neighborhood medical services, a daycare center and other amenities. Two Local and four Express lines serve the Linden Transit Center.

Easton Transit Center, 4260 Stelzer Rd., is a 1,350-square-foot facility near Easton Town Center. The facility includes an 8,950 square-foot overhead canopy and was renovated to include nine bus bays with three layover bays and a 33-vehicle capacity Park & Ride lot. The facility also includes an adjacent 9,650 square-foot daycare center operated by an independent provider, leasing the space from COTA. The building is planned to be expanded in 2017 to accommodate the increased service planned for the TSR implementation in May 2017. One Local, two Express and four Crosstown lines serve the Easton Transit Center.

Spring Street Terminal, 33 W. Spring St., is an outdoor CNG-compliant facility located on Spring Street between High and Front streets in downtown Columbus. There is an indoor waiting area and ticket vending machine at the facility. The terminal has five bus bays. Two Local and nine Express lines use the terminal to serve commuters in the north Downtown area.

Near East Transit Center, 1125 E. Main St., is a 9,600-square-foot facility located at East Main Street and Champion Avenue in the Columbus Empowerment Zone, an economically disadvantaged area with high unemployment. The Near East Transit Center includes a Nationwide Children's Primary Care Center offering neighborhood medical services, as well as leased, street-level, retail space. The transit center is served by one Local and one Crosstown line.

Facilities Leased

COTA Transit Terminal, 25 E. Rich St., is a 41,000-square-foot facility opened in November 1989 that serves commuters in the southern Downtown area. The terminal is located in the Columbus Commons parking garage between Rich and Main streets. In 2014, renovations were completed to accommodate CNG buses. A number of upgrades and customer amenities were also part of the renovation. One Local and 22 Express lines serve the terminal.

SERVICE AREA

Franklin County, COTA's primary service area, is located in Central Ohio. The City of Columbus, Ohio's largest city and state capital, is located within its boundaries. The Columbus Metropolitan Statistical Area (MSA) consists of ten (10) counties: Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, Pickaway and Union. Based on data from the U.S. Census Bureau (2015), the combined area's population is 2,021,632 with Franklin County's population of 1,251,722 making it the MSA's largest county in terms of population.

Population

Population in COTA's primary service area since 1970 is as follows:

Year	Columbus	Franklin County
1970	540,025	833,249
1980	565,032	869,126
1990	632,910	961,437
2000	711,470	1,068,978
2010	787,033	1,163,414
2015 Estimate	850,106	1,251,722

Source: U.S. Census Bureau

ECONOMIC OUTLOOK

While the local economy generally mirrors the national economy, Central Ohio has remained stable as a regional economic center. Columbus is the most populous city in Ohio and the only major municipality in the state experiencing population growth. This is attributed in part to Columbus' aggressive annexation policies and a pro-growth economic emphasis in city government. Franklin County's sizable institutional component, stemming from the presence of Ohio's capital and The Ohio State University, lends considerable stability to the local economy. The region's economy consists of large professional and service sectors heavy on finance, insurance, education and research industries. The overall countywide, assessed property valuation continues to increase as a result of vibrant residential and commercial development. The economic climate of Franklin County directly affects COTA due to the reliance on sales and use tax receipts, which are COTA's major source of revenue. Future anticipated growth in sales tax revenues will be offset in the near term by the removal of sales tax collections on Medicaid Managed Care Organizations (MCO's) beginning July 1, 2017. Additionally, uncertainty related to the extent and timing of policy changes at the Federal level contribute to potential volatility in the national and local economies.

SALES TAX RENEWAL

In November 2016, voters approved a 10-year, renewable 0.25 percent sales tax levy, in addition to the permanent 0.25 percent sales and use tax, to allow COTA to continue delivering expanded and improved bus service, and implement planned enhancements.

FINANCIAL INFORMATION

Internal Control Structure

The management of COTA is responsible for establishing and maintaining an internal control structure designed to ensure that COTA's assets are protected from loss, theft or misuse. Management's responsibility is to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally-accepted accounting principles.

In developing and evaluating COTA's accounting system, emphasis is placed on the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the reliability of financial records used to prepare financial statements and protection of assets against loss from unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. Management trusts that COTA's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded. Management believes that the data in this CAFR, as presented, is accurate in all material respects and fairly presents the financial position, results of operations and cash flows of COTA. Management trusts that all disclosures necessary to enable the reader to gain the maximum understanding of COTA's financial affairs have been included.

Basis of Accounting

COTA's financial records are maintained on the accrual basis of accounting. The activities are accounted for in a single enterprise, proprietary-type, fund. Additional information on COTA's accounting policies can be found in Note 2 in the Notes to the Financial Statements located on page 30.

Budgetary Controls

The annual accrual basis operation and capital budgets are proposed by COTA's management and adopted by the Board of Trustees in a public meeting, typically held in the month preceding a new fiscal year. The annual budget is prepared using overall guidelines established after consideration of COTA's long-range financial plan. The plan, updated annually, projects revenue sources over the next 10 years and establishes service levels and growth commensurate with revenue limits.

Management control for the budget is maintained by not permitting total expenditures to exceed total appropriations without approval of the Board of Trustees. It is the responsibility of each department to administer its operations in a manner to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees. Financial statements prepared on a budgetary basis, in accordance with generally-accepted accounting principles, have been provided on page 48 to demonstrate budgetary compliance.

OTHER INFORMATION

Independent Audit

COTA's independent certified public accounting firm of Clark Schaefer Hackett has rendered an unmodified audit report on COTA's financial statements for the fiscal year ended Dec. 31, 2016. The report is included in the financial section of the CAFR.

COTA participates in the federal single audit program, which consists of a single audit of all federally-funded programs administered by COTA. As a requirement for continued funding eligibility, participation in the single audit program is mandatory for most local governments, including COTA. The single audit, performed by Clark Schaefer Hackett met the requirements set forth by the State of Ohio, 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).

It is the intention of COTA's management to submit this and future CAFRs for review under the GFOA's Certificate of Achievement for Excellence in Financial Reporting program. Management believes the current report conforms to the program requirements and expects that participation will result in continued improvement of COTA's financial reporting in future years.

Acknowledgements

The publication of the CAFR is a reflection of the level of excellence and professionalism COTA has attained. It significantly improves the accountability of COTA to its taxpayers and creditors.

The report would not have been possible without the hard work and high standards of the entire staff of the Finance Division. COTA wishes to thank all who contributed to the project.

W. Curtis Stitt
President/CEO

Jeff Vosler
CFO/VP, Finance & DBE Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Central Ohio Transit Authority

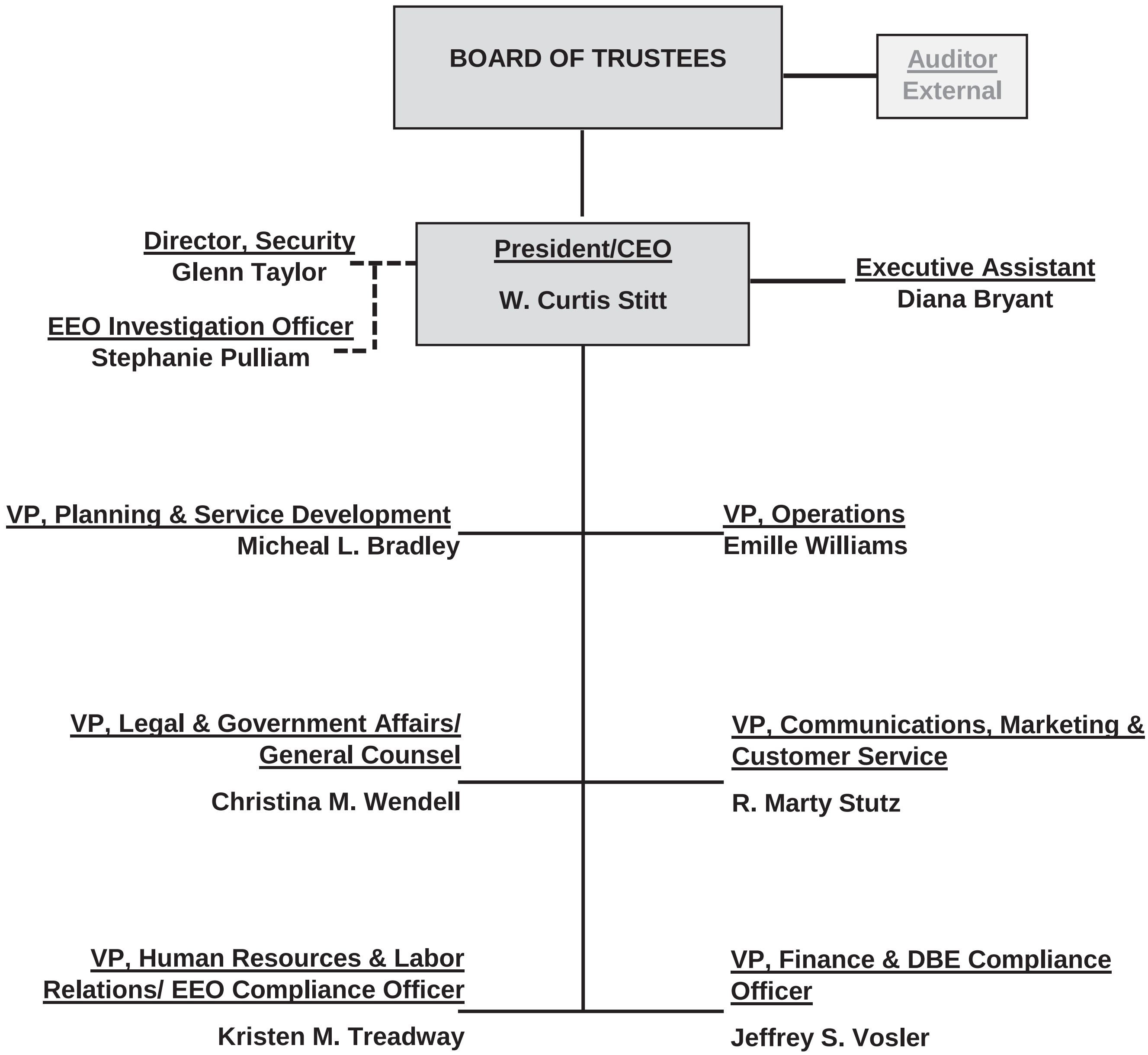
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

CHART OF ORGANIZATION

(12/31/2016)



FINANCIAL SECTION

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CENTRAL OHIO TRANSIT AUTHORITY
cota.com (614) 228-1776

CLARK SCHAEFER HACKETT
CPAs & Advisors

14 East Main Street, Suite 500, Springfield, Ohio 45502
P. 937.399.2000 | F. 937.399.5433 | cshco.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Central Ohio Transit Authority
Columbus, Ohio 43215

Report on the Financial Statements
We have audited the accompanying financial statements of the Central Ohio Transit Authority (the Authority), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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

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

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Ohio Transit Authority as of December 31, 2016 and 2015, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 15 through 25) and schedules of proportionate share of net pension liability and pension contributions (pages 46 through 47) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The supplemental budget versus actual schedule 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental budget versus actual schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
May 5, 2017

As the management of the Central Ohio Transit Authority (the Authority or COTA), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2016. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities and identifying any significant changes in financial position. We encourage readers to consider the information presented here, in conjunction with the basic financial statements and notes to the financial statements, which follows this section and provides more specific detail.

Overview of Financial Highlights

- The Authority has net position of $380.2 million. Of this amount, $217.5 million is invested in capital assets, net of accumulated depreciation.

- The Authority's Net Position increased by $15.0 million in 2016 mainly due to increased sales tax revenues.

- Current assets of $205.3 million primarily consist of cash and cash equivalents of $102.0 million, sales tax receivables of $34.8 million, investments of $45.0 million, inventory of $3.7 million, federal capital grant receivables of $3.8 million, and Board designated assets of $13.1 million.

- Current liabilities of $15.5 million primarily consist of accrued payroll and fringe benefits of $7.8 million, and accounts payable of $4.9 million.

- The Authority's long term liabilities of $69.3 million primarily consists of net pension liability of $67.6 million.

Basic Financial Statements and Presentation

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

The Statements of Net Position on page 26 presents information on all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these reported as net position. Over time, increases and decreases in Net Position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses and Changes in Net Position, on page 27, 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 and state governments.

The Statements of Cash Flows on page 28 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 four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 29-45.

Financial Analysis of the Authority

Condensed Summary of Net Position

The Authority's comparative analysis of the condensed summary of Net Position is as follows:

Description	2016	2015	Restated 2014
Assets			
Current Assets	$ 192,174,265	$ 174,911,441	$ 152,924,533
Board Designated Assets (current)	13,147,757	6,561,276	6,483,785
Total Current Assets	205,322,022	181,472,717	159,408,318
Board Designated Assets (non-current)	15,270,310	15,137,183	15,081,237
Capital Assets (net of accumulated depreciation)	217,487,368	221,585,618	208,365,365
Total Non-Current Assets	232,757,678	236,722,801	223,446,602
Total Assets	438,079,700	418,195,518	382,854,920
Deferred Outflows of Resources	28,281,424	8,423,604	5,541,649
Liabilities			
Current Liabilities	15,535,387	15,309,540	15,972,731
Non-Current Liabilities	1,677,272	1,500,736	1,363,112
Net Pension Liability	67,648,215	43,734,920	42,862,731
Total Liabilities	84,860,874	60,545,196	60,198,574
Deferred Inflows of Resources	1,276,760	821,277	-
Net Position			
Net Position Invested in Capital Assets	217,487,368	221,585,618	208,365,365
Net Position Unrestricted	162,736,122	143,667,031	119,832,630
Total Net Position	$ 380,223,490	$ 365,252,649	$ 328,197,995

The Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, which significantly revised accounting for pension costs and liabilities. For Reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Authority's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

As required by GASB 68, the net pension liability equals the Authority's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Authority is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan. Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

Most of the Authority's Net Position reflects investment in capital assets such as buses, maintenance equipment, and operating facilities. The Authority uses these capital assets to provide public transportation services for Franklin County and portions of the cities of Columbus, Dublin, Reynoldsburg, and Westerville that are located in counties adjacent to Franklin County. The Authority's investment in capital assets as of December 31, 2016 amounts to $217.5 million. This investment in capital assets includes land, buildings and improvements, revenue vehicles, transit centers, other equipment, and projects in progress (net of accumulated depreciation). The decrease in COTA's investment in capital assets in 2016 was $4.1 million.

Major capital asset events during 2016 included the following:

- Purchase of (20) Heavy Duty CNG Transit Buses
- Purchase of (20) Paratransit Vehicles
- Renovation of McKinley Avenue Bus Garage and Maintenance Facility Renovation

Contributions to construction in progress including the following projects:

- Construction of Downtown Shelters
- Construction of Canal Winchester Park and Ride
- Bus Rapid Transit Project Development and Engineering
- Renovation of Easton Transit Center

Additional information on the Authority's capital assets can be found in Note 5 in the Notes to the Financial Statements located on pages 35.

The Authority's current assets at the end of 2016 are composed of cash and cash equivalents (56.1%), investments (21.9%), receivables (19.7%), inventory (1.8%), and other assets (0.5%) consisting predominately of prepaid expenses.

In 2016, the Authority's total liabilities, other than net pension liability, increased slightly due to timing of accruals. The increase in net pension liability of $23.9 million was due to the increase in the Authority's proportionate share of the unfunded pension obligation.

Expenses by Functional Category

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

Description	2016	2015	2014
Vehicle Operations	$ 72,071,083	$ 65,094,146	$ 63,224,635
Vehicle Maintenance	21,049,012	18,358,558	17,651,307
Facilities Maintenance	7,294,177	7,169,624	6,584,710
General & Administrative	24,224,387	21,141,046	19,690,525
Total	$ 124,638,659	$ 111,763,374	$ 107,151,177

In accordance with NTDR guidelines, the 2016, 2015 and 2014 expenses include additional costs of $0, $17,952 and $141,247, respectively. These costs are collected directly by the service provider from the Authority's customers of the Sedan Service for Disabled Passengers which was discontinued in August, 2015.

NTDR requires a portion of Purchased Transportation expense reflecting the cost of service provider vehicle depreciation to be recorded as vehicle lease expense. For 2016, 2015 and 2014, $0, $19,283 and $173,136 respectively, is excluded from expense by function reporting.

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

Description	2016	2015	2014
Operating Revenues			
Passenger Fare Revenues	$ 18,663,499	$ 19,137,087	$ 20,130,110
Special Services Revenue	861,896	878,702	780,737
Total Operating Revenues	19,525,395	20,015,789	20,910,847
Non-Operating Revenues			
Sales Tax Revenues	131,793,840	125,163,004	118,662,543
Federal Assistance	562,086	267,143	21,787
State Assistance	595,309	619,459	745,356
Investment Income	906,987	274,082	384,324
Gain on Disposal of Capital Assets	-	21,496	-
Non-transportation and Other Revenues	970,525	952,339	933,174
Total Non-Operating Revenues	134,828,747	127,297,523	120,747,184
Total Revenue before Capital Grants	154,354,142	147,313,312	141,658,031
Operating Expenses			
Labor	51,926,191	46,536,591	43,215,656
Fringe Benefits	35,780,980	29,516,806	28,401,612
Materials and Supplies	13,986,325	15,062,371	15,908,436
Purchased Transportation	7,822,141	7,742,526	7,652,337
Services	10,286,395	8,189,640	7,269,244
Other Expenses	5,022,957	4,891,383	4,746,596
Depreciation Expense	25,376,426	24,469,195	22,093,964
Total Operating Expenses	150,201,415	136,408,512	129,287,845
Non-Operating Expenses			
Loss on Disposal of Capital Assets	288,560	-	29,921
Regional Transit Subsidy	1,507,713	-	-
Non-Operating Project Expenses	1,216,008	239,951	1,072,484
Total Non-Operating Expenses	3,012,281	239,951	1,102,405
Change before Capital Grants	1,140,446	10,664,849	11,267,781
Capital Grant Revenues:			
Federal	13,830,395	26,389,805	22,926,484
Change in Net Position during the Year	14,970,841	37,054,654	34,194,265
Net Position, Beginning of Year	365,252,649	328,197,995	331,324,812
Restatement to implement GASB 68	-	-	(37,321,082)
Net Position, End of Year	$ 380,223,490	$ 365,252,649	$ 328,197,995

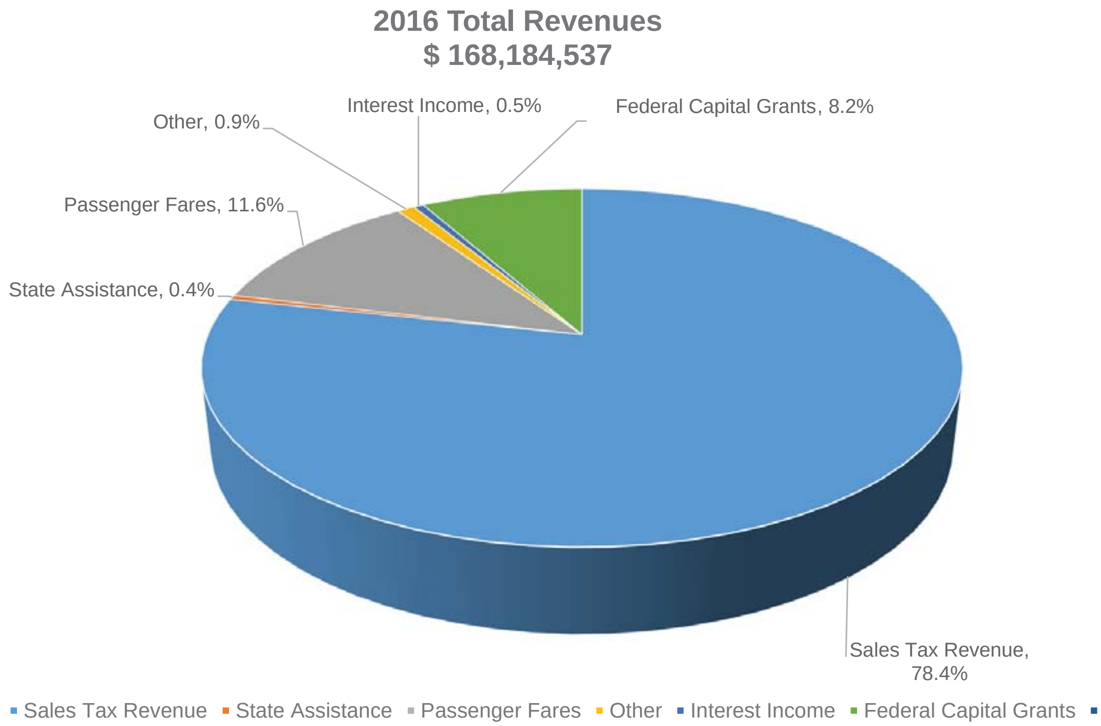
The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 was not available. Therefore, 2014 expenses still include pension expense of $5,541,649 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred outflows and inflows of resources. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report a pension expense reduction of $4,901,929.

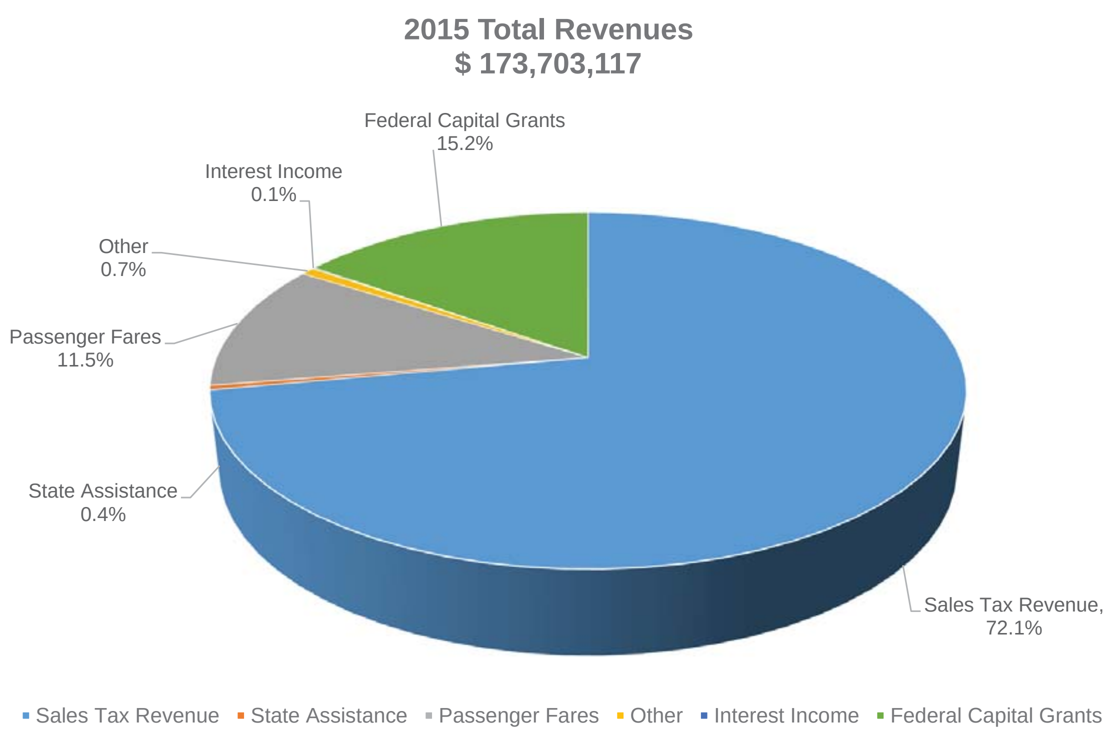
Requests for Information

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

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

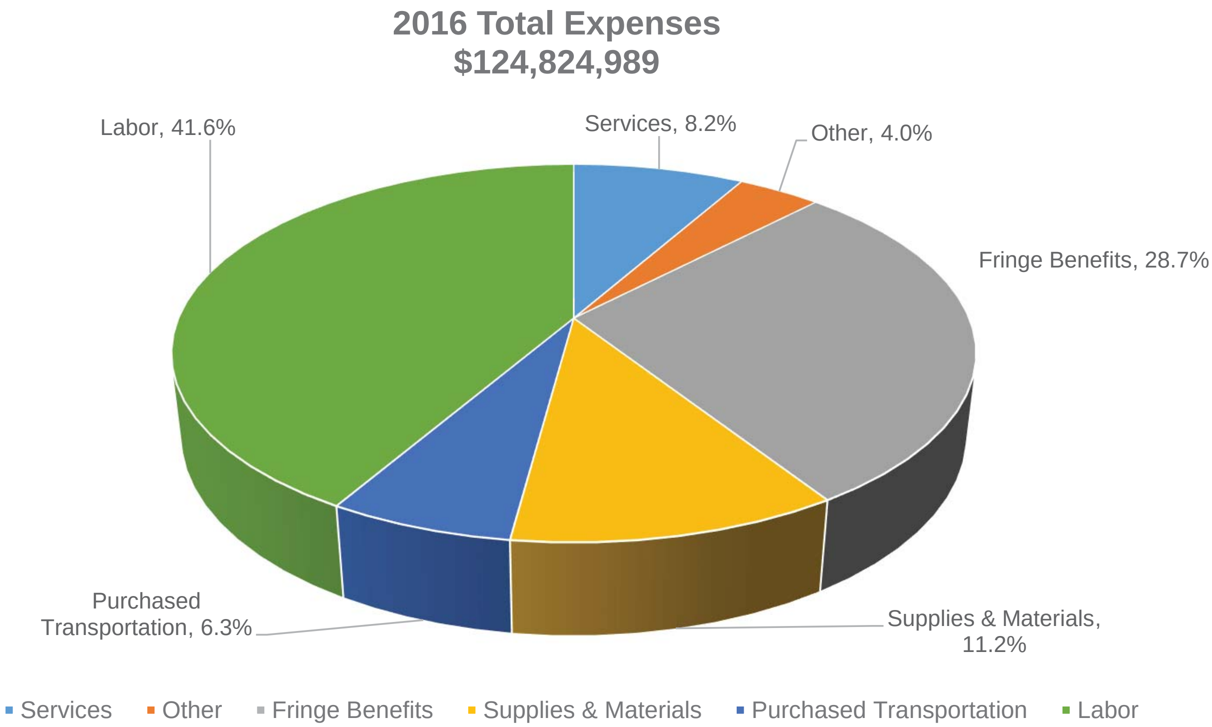
CENTRAL OHIO TRANSIT AUTHORITY
Revenues by Source

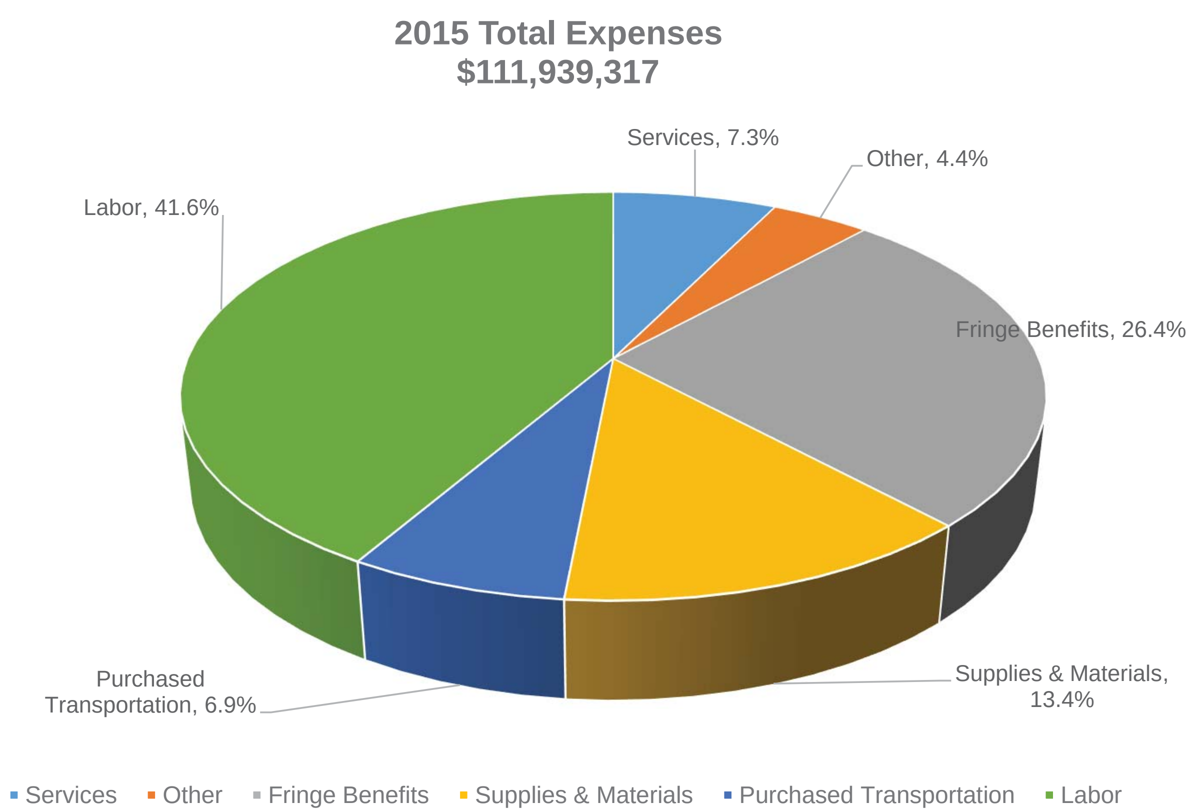




CENTRAL OHIO TRANSIT AUTHORITY

Operating Expense by Object Class
(Excluding Depreciation)





Financial Operating Results

Revenues

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

Passenger Fares are comprised of farebox revenues and special services revenues. When compared to 2014, the 2015 farebox revenue is down 4.9% driven by a 6% decrease in ridership. Fare revenue in 2016 is down 2.4% compared to prior year due to decreasing ridership.

Sales Tax Revenues are received from a permanent ¼% sales tax levy approved by voters in November 1999 and a temporary ¼% sales tax levy approved by voters in November 2016 applicable to the Authority's service area for a ten year period. In 2016, 2015, and 2014, the Authority saw a 5.3%, 5.4% and 6.7% increase in sales tax revenue, respectively.

Federal Assistance is received from the Federal Transit Administration (FTA). In 2016, COTA received operating assistance through §5310 to offset the cost of mobility services. In 2015 and 2014, COTA received operating assistance through §5316 and §5339 to offset the cost of job access routes and BRT Real Estate Acquisition and Management Plan.

Federal Capital Grants are received from the Federal Transit Administration (FTA). Eligible expenditures fall into two general categories: capital expenditures and other expenditures which are limited to specific programs. The Authority's funding, as authorized in the Moving Ahead for Progress in the 21st Century (MAP-21) comes primarily from §5307 which is the Urbanized Area Formula Program. The Authority utilizes these funds primarily for capital programs and transit improvements and enhancements. In 2016, §5307 funds awarded to COTA increased 3.2%. The Authority was also awarded §5309 New Starts funding for the construction of Bus Rapid Transit on Cleveland Avenue. The §5307 funds appropriated for the Authority in 2015 increased 3.1% from 2014. In 2014, the Authority was awarded additional §5307 funding through competitive discretionary grant programs used to fund capital infrastructure projects.

State Assistance is received from the State of Ohio for reimbursement of state fuel taxes. COTA is required to remit state taxes on diesel fuel, but is refunded $0.27 of the $0.28 per gallon paid.

Investment Income is earned on invested funds. In 2016 interest rate increases, in addition to increasing cash balances have increased investment income by 230.9% over 2015. Interest income decreased in 2015 from 2014 due to an unrealized loss on investments.

Non-Transportation and Other Revenues consist of auxiliary transportation revenues and non-transportation revenues. Non-transportation revenues include miscellaneous income items such as rent income which has increased 1.9%, 2.1% and 4.4% in 2016, 2015 and 2014, respectively. In 2015, a gain on the sale of capital assets was disclosed separately as non-operating revenue.

Expenses

Labor comprises almost half of the total Authority expenses and includes hourly wages paid to union-represented employees (bus operators, mechanics and facility maintenance personnel), and salaries and wages paid to administrative staff (clerical, supervisory and management personnel). In 2016, the Authority offered a performance improvement incentive to union employees. This incentive, in addition to merit increases and additional operators hired to provide increased service hours, increased wages by 11.6% in 2016 over prior year. Wages increased by 7.6% and 8.6% in 2015 and 2014, respectively due to merit increases and increased headcount in administrative staff as well as operators that were required to provide continuing planned service hour increases.

Fringe Benefits consist primarily of vacation, sick and holiday pay, required Authority contributions to the Ohio Public Employees Retirement System (OPERS), and employee medical benefits. Required employer contributions to OPERS were made at the rate of 14% of total gross taxable wages.

The 2016 and 2015 fringe benefits increased by 21.2% and 3.9%, respectively. The increases are not proportionate to the increase in labor expense due to GASB 68 pension expense adjustments resulting in an increase in the 2016 benefit expense and a reduction in the 2015 benefit expense. In 2014, fringe benefits increased by 8.7% consistent with increase in labor expenses as well as increasing costs related to workers compensation and health insurance.

Materials and Supplies include the Authority’s diesel fuel expense and parts used to maintain buses and facilities. With 124 CNG (Clean Natural Gas) buses in the revenue fleet, the Authority’s fuel expense continues to decrease even with the Authority’s continuing increase of service hours. In 2016, fuel expense decreased 27.3% compared to prior year mainly due to more CNG buses running in addition to favorable commodity pricing. In 2015 and 2014, the Authority’s fuel expense decreased 1.1% and 5.4%, respectively. In 2016, 2015 and 2014, materials and supplies (excluding fuel) increased 9.5%, 11.9% and 5.9%, respectively. The majority of the material and supply costs for the Authority are related to parts for the repair and maintenance of revenue buses and materials used to maintain Authority owned facilities. With expansion buses added to the fleet each year as the annual service hours increase, the cost of fleet maintenance continues to increase.

Purchased Transportation expenses are amounts paid to private local contractors for the Authority’s door-to-door Project Mainstream service. Project Mainstream provides service-on-demand in minibuses equipped with wheelchair lifts for persons with disabilities. Contracted costs are based on a fixed fee in addition to a variable rate based on revenue hours provided. Similar to the prior year, 2016 had a slight expense increase of 1.0%. In 2015, purchase transportation expense increase of 1.1% was in line with the 2.4% increase in service hours provided. In 2014, purchased transportation expense increased 7.2%. The contract included a 1.2% increase in the fixed fee and a 5.3% increase in the variable rate.

Services are provided by outside contractors to assist the Authority in completing professional, technical, consulting and maintenance related projects. In 2016, there was a 25.6% increase in services over the prior year mainly driven by information technology consultants, software maintenance, and outsourced facility maintenance expenses. In 2015, services increased 12.6% due to consulting services associated with the Next Gen project, marketing professional services as well as increasing software maintenance costs. In 2014, services decreased 6.1% due to the completion of several on-going projects.

Other Expenses consist primarily of utilities, taxes, advertising, leases and rentals, claims and insurance and other miscellaneous expenses. In 2016 and 2015, other expenses increased 2.7% and 3%, respectively, mostly driven by an increase in advertising expense. In 2014, other expenses increased by 35% primarily driven by a significant increase in utility expense driven by severe winter weather.

Depreciation Expense increased in 2016 by 3.7% due to the purchase of additional fixed route and paratransit revenue vehicles as well as the completion of several IT projects. An increase in depreciation expense in 2015 of 10.7% was driven by the completion of both the Spring Street Terminal (33 West Spring Street) and COTA Transit Terminal (25 East Rich Street) as well as the purchase of thirty-eight CNG revenue vehicles contributed to the increase in depreciation in 2015. Capital project activity such as the purchase of $18.5 million of fixed route and paratransit revenue vehicles in 2014 contributed to a 10.2% increase in depreciation expense.

Non-Operating Expense As a result of the 2010 US census, the City of Delaware has been classified as a part of the Columbus Metropolitan Statistical Area (MSA). This change was effective with Federal Fiscal Year 2013 which affected the funding status of the Delaware Area Transit Authority (DATA) moving them from a rural transit funded through Ohio Department of Transportation (ODOT) to an urban transit funded directly from the Federal Transit Administration via Section 5307 formula funds. The change has had a detrimental impact on DATA's ability to utilize their federal funds from the urbanized area. DATA is unable to meet the local funding requirements to utilize their portion of the federal funding. With the assistance of MORPC, COTA and DATA recently entered into an agreement that specified the method of allocation that will be used going forward to split the 5307 funds awarded to the Columbus MSA on an annual basis. The allocation that DATA receives from this split is significantly less than the funding they received under the rural program administered by ODOT. In recognition of the financial dilemma that DATA is in, ODOT and COTA have entered into an agreement whereby DATA will receive local funding from COTA for use in public transportation in Delaware County and the FTA, upon advisement by ODOT, will transfer an equal amount of federal funds to COTA. In 2016 and 2015, $1,507,713 and $239,951 respectively, was transferred to Delaware Area Transit Authority.

The Authority has several on-going capital projects that require the improvement of assets that are not owned by the Authority. Such expenses cannot be classified as capital expenses of the project nor can they be classified as operating expenses of the Authority. In 2016, these non-operating projects expenses were $1,216,008.

CENTRAL OHIO TRANSIT AUTHORITY
Statements of Net Position
December 31, 2016 and 2015

	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	$ 101,985,668	$ 83,225,378
Investments	45,028,903	44,994,598
Receivables:		
Sales tax	34,833,394	33,690,982
Federal capital grants receivable	3,823,681	6,338,945
Federal operating assistance	520,234	-
Other	1,140,853	1,891,042
Inventory of materials and supplies	3,702,893	3,461,412
Other	1,138,639	1,309,084
Board designated:		
Cash and cash equivalents - capital grants	13,147,757	6,561,276
TOTAL CURRENT ASSETS	205,322,022	181,472,717
NON-CURRENT ASSETS:		
Board designated:		
Investments - self insurance	15,270,310	15,137,183
Capital assets:		
Nondepreciable - land	10,340,587	10,426,419
Nondepreciable - construction in progress	10,818,141	30,465,317
Net depreciable capital assets	196,328,640	180,693,882
Capital assets, net	217,487,368	221,585,618
TOTAL NON-CURRENT ASSETS	232,757,678	236,722,801
TOTAL ASSETS	438,079,700	418,195,517
DEFERRED OUTFLOWS OF RESOURCES:		
Pension	28,281,424	8,423,604
CURRENT LIABILITIES:		
Accrued payroll and fringe benefits	7,794,249	6,012,568
Accounts payable	4,864,760	6,930,939
Accrued payroll taxes	944,645	772,042
Estimated workers' compensation claims	308,531	141,680
Estimated claims payable	81,260	80,328
Other current liabilities	1,541,942	1,371,983
Total current liabilitites	15,535,387	15,309,540
NON-CURRENT LIABILITIES:		
Accrued fringe benefits	567,293	899,985
Estimated workers' compensation claims	874,729	332,151
Estimated claims payable	235,250	268,600
Net pension liability	67,648,215	43,734,920
TOTAL NON-CURRENT LIABILITIES	69,325,487	45,235,656
TOTAL LIABILITIES	84,860,874	60,545,196
DEFERRED INFLOWS OF RESOURCES:		
Pension	1,276,760	821,277
NET POSITION:		
Investment in capital assets	217,487,368	221,585,618
Unrestricted	162,736,122	143,667,031
TOTAL NET POSITION	$ 380,223,490	$ 365,252,649

See notes to financial statements.

CENTRAL OHIO TRANSIT AUTHORITY
Statements of Revenues, Expenses and Changes in Net Position
Years ended December 31, 2016 and 2015

	2016	2015
OPERATING REVENUES:		
Passenger fares for transit service	$ 18,663,499	$ 19,137,087
Special transit fares	861,896	878,702
Total	19,525,395	20,015,789
OPERATING EXPENSES OTHER THAN DEPRECIATION:		
Labor	51,926,191	46,536,591
Fringe benefits	35,780,980	29,516,806
Materials and supplies	9,040,554	8,255,960
Fuel	4,945,771	6,806,411
Purchased transportation	7,822,141	7,742,526
Services	10,286,395	8,189,640
Utilities	2,037,416	2,099,189
Taxes	750,012	814,243
Leases and rentals	186,329	174,612
Claims and insurance, net of settlements	57,397	150,350
Advertising	824,312	632,641
Miscellaneous	1,167,491	1,020,348
Total	124,824,989	111,939,317
DEPRECIATION	25,376,426	24,469,195
Total operating expenses	150,201,415	136,408,512
OPERATING LOSS	(130,676,020)	(116,392,723)
NON-OPERATING REVENUES(EXPENSES):		
Sales tax revenues	131,793,840	125,163,004
Federal operating grants	562,086	267,143
State operating grants, reimbursements and special fare assistance	595,309	619,459
Investment income	906,987	274,082
Regional transit subsidy	(1,507,713)	(239,951)
Non-operating project expense	(1,216,008)	-
Non-Transportation and other revenue	970,525	952,339
Gain (Loss) on disposal of capital assets	(288,560)	21,496
Total	131,816,466	127,057,572
Change before capital grants	1,140,446	10,664,849
CAPITAL GRANT REVENUES:		
Federal	13,830,395	26,389,805
CHANGE IN NET POSITION	14,970,841	37,054,654
NET POSITION, BEGINNING OF YEAR	365,252,649	328,197,995
NET POSITION, END OF YEAR	$ 380,223,490	$ 365,252,649

See notes to financial statements.

CENTRAL OHIO TRANSIT AUTHORITY
Statements of Cash Flows
Years ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 19,525,395	$ 20,015,789
Cash payments to suppliers for goods and services	(36,559,336)	(34,329,013)
Cash payments to employees for services	(50,251,744)	(53,340,544)
Cash payments for employee benefits	(30,786,051)	(24,031,994)
Cash payments for casualty and liability	(167,156)	(273,344)
Other receipts	1,720,713	747,773
Net cash used in operating activities	(96,518,179)	(91,211,333)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Sales taxes received	130,651,428	125,439,291
Federal operating assistance received	41,852	286,378
Local assistance provided	(1,507,713)	(239,951)
State operating and other assistance received	595,309	619,459
Net cash provided by non-capital financing activities	129,780,876	126,105,177
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Federal capital grants received	16,345,659	24,836,000
Acquisition and construction of capital assets	(24,023,983)	(39,451,855)
Acquisition and construction of non-capital project expenses	(1,216,008)	-
Proceeds from sale of capital assets	238,851	25,200
Net cash used in capital and related financing activities	(8,655,481)	(14,590,655)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in CD's	(167,432)	(15,184,179)
Interest received from investments	906,987	274,082
Net cash provided by (used) in investing activities	739,555	(14,910,097)
NET INCREASE IN CASH AND CASH EQUIVALENTS	25,346,771	5,393,092
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	89,786,654	84,393,562
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 115,133,425	$ 89,786,654
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	$ (130,676,020)	$ (116,392,723)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	25,376,426	24,469,195
Other receipts	970,525	952,339
Change in assets and liabilities:		
Decrease (Increase) in other receivables	750,189	(204,566)
(Increase) Decrease in materials and supplies inventory	(150,746)	43,207
Decrease (Increase) in other assets	170,445	(123,432)
Increase in deferred outflows	(19,857,820)	(2,881,955)
Increase in accounts payable, accrued compensation, self-insurance liabilities and other	2,530,044	1,233,141
Increase in net pension liability	23,913,295	872,189
Increase in deferred inflows	455,483	821,277
Net cash used in operating activities	$ (96,518,179)	$ (91,211,328)
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY		
Property purchases in accounts payable	$ 1,738,421	$ 3,866,079

See notes to financial statements.

(1) Organization and Reporting Entity

Organization

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

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

The Authority also has the power, under Section 306.40 of the Ohio Revised Code, to levy and collect both voted (after approval at an election) and unvoted ad valorem taxes on all the taxable property within the territorial boundaries of the Authority, in order to pay debt service on its bonds and notes issued in anticipation thereof. Ad valorem taxes were not levied during fiscal year 2016.

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

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

Reporting Entity

The accompanying financial statements comply with the provisions of accounting principles generally accepted in the United States of America in that these financial statements include all of the organization’s activities, functions and component units for which the Authority is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and either (1) the reporting entity’s ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. COTA does not have financial accountability over any entities.

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

(2) Summary of Significant Accounting Policies

Basis of Accounting

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

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

Cash and Cash Equivalents

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

Grant and Assistance

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

Investments

Investments are carried at fair value based on quoted market prices. Any unrealized gains or losses are recognized as adjustments to investment income. The Authority's policy is to hold investment securities to their scheduled maturities.

Inventory of Materials and Supplies

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

Board Designated Assets

These assets are designated for the payment of public liability claims under the Authority's self-insurance program and for future capital expenditures.

Designated for Capital Grant Expenditures

These assets are board-designated under the Authority's capital grants. The Authority includes amounts relating to its local share requirements for active capital grants.

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

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

<u>Unrestricted</u> – This consists of net position that does not meet the definition of "investment in capital assets".

Classifications of Revenues

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

(2) Summary of Significant Accounting Policies (continued)

Recognition of Revenue and Receivables

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

When assets acquired with capital grant funds are disposed of before their useful life, the Authority is required to notify the granting federal agency if the net book value of the asset exceeds $5,000 at the time of disposal. 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 assets; and if not replaced, remitted to the granting federal agency.

Property and Depreciation

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

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

Description	Years
Land and leasehold improvements	5-20
Buildings and improvements	20-40
Revenue vehicles	4-12
Transit shelters	5-8
Other equipment	2-10

Assets acquired with capital grants are included in property and equipment and depreciation on those assets is included in the Statement of Revenues, Expenses and Changes in Net Position.

Estimated Claims Payable

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

(2) Summary of Significant Accounting Policies (continued)

Compensated Absences

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

		Current		Non-current
Compensated Absences Liability December 31, 2014	$	3,451,584	$	867,169
Vacation & Sick Liability Earned		4,638,395		32,816
Vacation & Sick Liability Paid		(4,419,812)		-
Compensated Absences Liability December 31, 2015	$	3,670,167	$	899,985
Vacation & Sick Liability Earned		4,243,050		-
Vacation & Sick Liability Paid		(4,139,304)		(332,692)
Compensated Absences Liability December 31, 2016	$	3,773,913	$	567,293

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

Passenger Fares

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

Budgetary Accounting and Control

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

Use of Estimates

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

Non-exchange Transactions

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include sales and use tax revenue and grants. On an accrual basis, revenue from sales and use taxes is recognized in the period when the underlying exchange transaction occurs. Therefore, taxes on items sold in 2016 will be recognized as revenue in 2016. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.

(2) Summary of Significant Accounting Policies (continued)

Deferred inflows of resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources from pension are reported on the Statement of net position (see Note 9).

Deferred outflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources from pension are reported on the Statement of net position (see Note 9).

Pensions

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

(3) Cash and Investments

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

The Authority has invested funds in the State Treasury Assets Reserves of Ohio (STAR Ohio) during 2016. 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". The Authority measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value. For 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding $25 million. STAR Ohio reserves the right to limit the transaction to $50 million, requiring the excess amount to be transacted the following business days(s), but on to the $50 million limit. All accounts of the participant will be combined for these purposes.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities with a market value equal to 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name.

(3) Cash and Investments (contined)

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Public depositories must give security for all public funds on deposit. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposit. Such collateral, as permitted by Chapter 135 of the Ohio Revised Code, is held in financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

At December 31, 2016, the carrying amount of the Authority's deposits with financial institutions was $10,602,197 and the bank balance was $12,941,014. The difference results from outstanding checks and deposits in transit. Based on criteria as described in GASB Statement No. 40, *"Deposit and Investment Risk Disclosure"*, as of December 31, 2016, $250,000 was covered by Federal Deposit Insurance. The $12,691,014 exposed to custodial risk was collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name. In addition, the Authority had $7,783 of cash on hand.

At December 31, 2015, the carrying amount of the Authority's deposits with financial institutions was $16,777,064 and the bank balance was $18,850,911. The difference results from outstanding checks and deposits in transit. Based on criteria as described in GASB Statement No. 40, *"Deposit and Investment Risk Disclosure"*, as of December 31, 2015, $250,000 was covered by Federal Deposit Insurance. The $18,600,911 exposed to custodial risk was collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name. In addition, the Authority had $7,783 of cash on hand.

Other Deposits

As of December 31, 2016 and 2015, the Authority held equity of $104,523,445 and $73,001,807 respectively, in the STAR Ohio investment pool. As of June 2016, Star Ohio has maintained Standard and Poors rating of AAAm. This investment has not been categorized based on a custodial risk because it is not a security. The relationship between the Authority and the investment asset is a direct contractual relationship and the investments evidence ownership or creditorship.

Investments

The Authority's investments consist solely of negotiable certificates of deposits (CDs). These CDs are held in the Authority's name by the Trustees and are fully covered by FDIC. At December 31, 2016 the total fair value of the Authority's investment in negotiable CDs was $60,299,213, all of which have maturity dates of less than one year.

Fair value hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs such as quoted prices for similar assets in active markets. Level 3 inputs are significantly unobservable inputs. At December 31, 2016, the Authority categorizes fair value measurements of its negotiable CDs totaling $60,299,213 as Level 2 inputs as fair value measures were obtained from trustees who use various pricing services.

(4) Commitments

The Authority has several active projects as of December 31, 2016. The projects include the continuing renovation of the McKinley Avenue Maintenance Garage and Bus Rapid Transit (BRT) Project. At year-end, the Authority's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Bus Rapid Transit (BRT)	$ 6,062,249	$ 17,576,065
McKinley Avenue Renovation	8,184,826	262,205
Bus Stop Improvements	53,271	29,229
Easton Transit Center Improvements	351,497	598,327
Downtown Building Improvements	-	292,358
TOTAL	$ 14,651,843	$ 18,758,184

(5) Capital Assets

Capital asset activities for the years ended December 31, 2016 and 2015 are as follows:

	January 1, 2016	Additions	Disposals	Transfers	December 31, 2016
Capital Assets Not Being Depreciated:					
Land	$ 10,426,419	$ -	$ (85,832)	$ -	$ 10,340,587
CIP	30,465,317	8,970,252	-	(28,617,428)	10,818,141
Total	40,891,736	8,970,252	(85,832)	(28,617,428)	21,158,728
Capital Assets Being Depreciated:					
Land and leasehold improvements	5,607,084	191,562	(265,224)	-	5,533,422
Building and improvements	127,580,708	209,548	(1,072,547)	24,618,854	151,336,563
Revenue vehicles	141,538,917	11,414,659	(3,993,958)	-	148,959,618
Transit shelter	3,204,617	-	(701,040)	11,046	2,514,623
Other equipment	40,417,491	1,110,302	(1,645,927)	3,987,528	43,869,394
Total	318,348,817	12,926,071	(7,678,696)	28,617,428	352,213,620
Less Accumulated Depreciation:					
Land and leasehold improvements	(2,489,300)	(319,534)	254,088	-	(2,554,746)
Building and improvements	(51,813,731)	(7,298,259)	784,778	-	(58,327,212)
Revenue vehicles	(57,371,627)	(12,592,981)	3,857,920	-	(66,106,688)
Transit shelter	(1,807,617)	(303,029)	633,784	-	(1,476,862)
Other equipment	(24,172,660)	(4,862,623)	1,615,811	-	(27,419,472)
Total	(137,654,935)	(25,376,426)	7,146,381	-	(155,884,980)
Total Capital Assets Being Depreciated, Net	180,693,882	(12,450,355)	(532,315)	28,617,428	196,328,640
Total Capital Assets, Net	$ 221,585,618	$ (3,480,103)	$ (618,147)	$ -	$ 217,487,368

(5) Capital Assets (continued)

	January 1, 2015	Additions	Disposals	Transfers	December 31, 2015
Capital Assets Not Being Depreciated:					
Land	$ 9,943,599	$ 482,820	$ -	$ -	$ 10,426,419
CIP	22,326,120	18,232,578	-	(10,093,381)	30,465,317
Total	32,269,719	18,715,398	-	(10,093,381)	40,891,736
Capital Assets Being Depreciated:					
Land and leasehold improvements	4,954,139	11,896	(182,381)	823,430	5,607,084
Building and improvements	123,131,122	7,340	(1,349,712)	5,791,958	127,580,708
Revenue vehicles	128,853,965	18,456,948	(5,771,996)	-	141,538,917
Transit shelter	1,937,507	12,570	-	1,254,540	3,204,617
Other equipment	37,705,037	489,001	-	2,223,453	40,417,491
Total	296,581,770	18,977,755	(7,304,089)	10,093,381	318,348,817
Less Accumulated Depreciation:					
Land and leasehold improvements	(2,347,983)	(323,698)	182,381	-	(2,489,300)
Building and improvements	(46,404,866)	(6,754,872)	1,346,007	-	(51,813,731)
Revenue vehicles	(51,227,104)	(11,916,519)	5,771,996	-	(57,371,627)
Transit shelter	(1,336,543)	(471,074)	-	-	(1,807,617)
Other equipment	(19,169,628)	(5,003,032)	-	-	(24,172,660)
Total	(120,486,124)	(24,469,195)	7,300,384	-	(137,654,935)
Total Capital Assets Being Depreciated, Net	176,095,646	(5,491,440)	(3,705)	10,093,381	180,693,882
Total Capital Assets, Net	$ 208,365,365	$ 13,223,958	$ (3,705)	$ -	$ 221,585,618

(6) Leases

COTA leases certain property and equipment under operating leases. Rental expense for all operating leases was $186,329 in 2016 and $174,612 in 2015. Future minimum payments, by year, and in the aggregate, under these leases with initial or remaining terms of one year or more, consisted of the following at December 31, 2016:

	Commitments under Operating Leases
2017	$ 5,693
2018	5,921
2019	6,158
2020	6,404
2021	6,660
2022 and forward	6,927
Total Minimum Lease Payments	$ 37,763

(7) Grants, Reimbursements and Special Fare Assistance

Grants, reimbursements and special fare assistance included in the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2016 and 2015 consist of the following:

	2016	2015
Federal:		
FTA Capital Assistance	$ 13,830,395	$ 26,389,805
FTA Operating Assistance	562,086	267,143
Total	$ 14,392,481	$ 26,656,948
State:		
ODOT Fuel Tax Reimbursement	$ 595,309	$ 619,459

(8) Risk Management

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

COTA is self-insured for all public liability, personal injury and property damage claims. The estimated liability for such claims of $316,510 at December 31, 2016, and $348,928 at December 31, 2015, are included in estimated claims payable in the accompanying statements of net position. At December 31, 2016 and 2015 $15,270,310 and $15,137,183, respectively, was designated by the Board of Trustees to fund the self-insurance program. Such funds are included in board designated assets in the accompanying statements of net position.

Prior to June 30, 1998, COTA was insured through the State of Ohio Bureau of Workers' Compensation (BWC) for injuries to its employees. On July 1, 1998, the Authority entered into an agreement with the BWC to become self-insured for claims pertaining to work-related injuries to Authority employees occurring on or after that date. The BWC agreed to continue to administer and pay all compensation claims arising on or before June 30, 1998. The estimated remaining liability for all such claims occurring since July 1, 1998, is $1,183,260 at December 31, 2016 and $473,831 at December 31, 2015 and is included as a liability in the accompanying statements of net position.

(8) Risk Management (continued)

The general claims liability was calculated by establishing reserves on a case-by-case basis after analysis by in-house counsel and outside attorneys. The workers' compensation liability was determined by analyzing claim lag information provided by COTA's third party administrators. A summary of changes in self-insurance claims liability for the years ended December 31, 2016 and 2015 follows:

	General Liability	Workers' Compensation
Claims liability at December 31, 2014	$ 275,402	$ 476,493
Incurred claims, net of favorable settlements	346,870	726,644
Claims paid	(273,344)	(729,306)
Claims liability at December 31, 2015	348,928	473,831
Incurred claims, net of favorable settlements	134,666	1,357,274
Claims paid	(167,084)	(647,845)
Claims liability at December 31, 2016	$ 316,510	$ 1,183,260

There were no changes to the above policies during the current fiscal year. Claims experience over the past three years indicates that there were no instances of losses exceeding reserves. The amount of general liability and workers' compensation reserve expected to be paid within one year is $81,260 and $308,531, for 2016 and 2015 respectively.

(9) Pension Plan

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.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable. The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for contractually-required contributions outstanding at the end of the year is included in accrued payroll and fringe benefits.

(9) Pension Plan (continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

OPERS is a cost-sharing, multiple-employer public employee retirement system that provides retirement and disability benefits to members and death and survivor benefits to beneficiaries.

OPERS issues a stand-alone, financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position. Interested parties may obtain a copy by visiting http://www.opers.org, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642, or by calling 614-222-5601 or 1-800-222-7377.

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:

1. The Traditional Pension Plan – a cost sharing, multiple-employer defined benefit pension plan.

2. The Member-Directed Plan – a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.

3. The Combined Plan – a cost sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

   In March 2016, OPERS received two favorable rulings from the Internal Revenue Service (IRS) allowing OPERS to consolidate all health care assets into the OPERS 115 Health Care Trust. Transition to the new health care trust structure was completed July 1, 2016. As of December 31, 2016, OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical to qualifying benefit recipients of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage. OPERS funds a Retiree Medical Account (RMA) for participants in the Member-Directed Plan. At retirement or refund, participants can be reimbursed for qualified medical expenses from their vested RMA balance.

   In order to qualify for health care coverage, age-and-service retirees under the Traditional Pension and Combined plans must have 20 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. Please see the Plan Statement in the OPERS 2015 CAFR for details.

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

   All benefits of the System, and any benefit increases, are established by the legislature pursuant to Ohio Revised Code Chapter 145. The Board, pursuant to ORC Chapter 145, has elected to maintain funds to provide health care coverage to eligible Traditional Pension and Combined plan retirees and survivors of members. Health care coverage does not vest and is not required under ORC Chapter 145. As a result, coverage may be reduced or eliminated at the discretion of the Board.

(9) Pension Plan (continued)

Age-and-Service Defined Benefits – Benefits in the Traditional Pension Plan are calculated on the basis of age, final average salary (FAS), and service credit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026. Members who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount. The base amount of a member's pension benefit is locked in upon receipt of the initial benefit payment for calculation of annual cost-of-living adjustment.

Benefits in the Combined Plan consist of both an age-and-service formula benefit (defined benefit) and a defined contribution element. The defined benefit element is calculated on the basis of age, FAS, and years of service. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Defined Contribution Benefits – Member-Directed Plan and Combined Plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the Combined Plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined Plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-Directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the Member-Directed Plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections.

Disability Benefits – OPERS administers two disability plans for participants in the Traditional Pension and Combined plans. Members participating in the Member-Directed Plan are not eligible for disability benefits.

Survivor Benefits – Dependents of deceased members who participated in either the Traditional Pension Plan or the Combined Plan may qualify for survivor benefits.

Other Benefits – Once a benefit recipient retiring under the Traditional Pension Plan as received benefits for 12 months, an annual 3% cost-of-living adjustment is provided on the member's base benefit. Members retiring under the Combined Plan receive a 3% cost-of-living adjustment on the defined benefit portion of their benefit. 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.

Contributions - The OPERS funding policy provides for periodic employee and employer contributions to all three plans (Traditional Pension, Combined and Member-Directed) at rates established by the Board, subject to limits set in statute. The rates established for member and employer contribution rates were approved based upon the recommendations of the System's external actuary. All contribution rates were within the limits authorized by the Ohio Revised Code.

(9) Pension Plan (continued)

Member and employer contributions rates, as a percent of covered payroll, were the same for each covered group across all three plans for fiscal year ended December 31, 2016. Within the Traditional Pension Plan and Combined Plan, member and employer contributions (employer contributions only for the Combined Plan) and an actuarially determined rate of return are adequate to accumulate sufficient assets to pay defined benefits when due. Employee contributions within the Combined Plan are not used to fund the defined benefit retirement allowance. Employer contribution rates as a level percent of payroll dollars are determined using the entry age actuarial funding method. This formula determined the amount of contributions necessary to fund: (1) the current service cost, representing the estimated amount necessary to pay for defined benefits earned by the employees during the current service year; and (2) the prior service cost for service cost for service earned prior to the current year and subsequent benefit increases. These contributions represent the amount necessary to fund accrued liabilities for retirement allowances and survivor benefits over a period of time.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

The net pension liability was measured as of December 31, 2015, 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 projected contributions of all participating entities. The following is information related to the proportionate share and pension expense:

	Traditional
Proportionate Share of the Net Pension Liability	$ 67,648,215
Proportion of the Net Pension Liability	0.390550%
Pension Expense	$ 6,288,415

At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Traditional
Deferred Outflows of Resources	
Net difference between projected and actual earnings on pension plan investment	$ 19,756,062
Change in Authority's proportionate share	2,193,608
Authority contributions subsequent to the measurement date	6,331,754
Total Deferred Outflows of Resources	$ 28,281,424
Deferred Inflows of Resources	
Difference between expected and actual experience	$ 1,276,760
Total Deferred Inflows of Resources	$ 1,276,760

(9) Pension Plan (continued)

$6,331,754 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follow:

Year-Ending December 31,	Traditional Plan Net Deferred Outflows of Resources
2017	$ 5,344,260
2018	5,640,571
2019	5,188,247
2020	4,499,832
Total	$ 20,672,910

Actuarial Assumptions – OPERS

OPERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., future employment, mortality, cost trends). Actuarially determined amounts are subject to continual review and potential modifications, 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Actuarial Information	Traditional Plan
Valuation Date	December 31, 2015
Experience Study	5 year period ending December 31, 2010
Actuarial Cost Method	Individual entry age
Actuarial Assumptions:	
Investment rate of return	8.00%
Wage inflation	3.75%
Projected salary increases	4.25% - 10.05% (includes wage inflation at 3.75%)
Cost-of-living adjustments	3.00% Simple

(9) Pension Plan (continued)

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used. 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 following table displays the Board-approved asset allocation policy for 2015 and the long-term expected real rates of return:

Asset Class	Target Allocation
Fixed income	23.00%
Domestic equities	19.90%
Real estate	10.00%
Private equity	10.00%
International equities	19.10%
Other investments	18.00%

Actuarial Assumptions – OPERS

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.

Discount Rate The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined 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 statutorily required rates. 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 both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.0 percent), or one percentage point higher (9.0 percent) than the current rate.

Proportionate Share of the Net Pension Liability (Asset)	1% Decrease (7.0%)	Discount Rate (8.0%)	1% Increase (9.0%)
Traditional pension plan	$107,780,134	$ 67,648,215	$ 33,798,213

(9) Pension Plan (continued)

OPERS' Post-Employment Health Care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside for funding of post- employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0% during calendar year 2016. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2017 decreased to 1.0% for both plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the heath care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2016 was 4%.

The OPERS Board of Trustees is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Actual Authority contributions to OPERS for the years ending December 31, 2016, 2015, and 2014 were approximately $8,022,000, $7,362,000, and $6,724,000 respectively, equal to the required contributions for each year. The Authority's contributions actually made to fund post-employment benefits totaled $1,146,000 in 2016, $1,051,000, in 2015, and $960,000 in 2014. For 2016, 2015, and 2014, 100% of the required contributions have been made.

(10) Contingent Liabilities

Litigation
It is the Authority's policy to act as self-insurer for certain insurable risks consisting primarily of public liability and property damage. At December 31, 2016, COTA has been named in various public liability and property damage claims and suits, some of which seek significant damages. The ultimate outcome of the claims and suits cannot be determined; however, it is the opinion of management that any resulting liability to the Authority in excess of that provided for in the accompanying balance sheet will not have a material adverse effect on the Authority's financial position.

Federal and State Grants
Under the terms of the Authority's various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At December 31, 2016, there were no material questioned costs that had not been resolved with appropriate federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of COTA's management, no material grant expenditures will be disallowed. FTA grant stipulations also require the granter to retain assets acquired by FTA funds for the full estimated asset life (as determined by the FTA). If this provision is not met, the granter must refund FTA's un-depreciated basis in assets disposed with a net book value greater than $5,000.

(11) Energy Pricing Management Program

Pursuant to Ohio Revised Code sections 9.835 (A), (B), and section (C) the Central Ohio Transit Authority has established an energy price risk management program to decrease the volatility of diesel fuel and natural gas cost, and increase the likelihood that actual net energy costs will remain below the budgeted cost, increase the certainty of future cost, attain a lower overall cost of fuel and natural gas in the long-term, and manage year-over-year changes in energy costs. Within this program, COTA will acquire, hold, and dispose of positions in exchange-traded futures contracts and other financial instruments including but not limited to use of futures, options, options on future, or fixed price delivery contracts. In 2016 and 2015, heating oil #2 futures contracts as well as natural gas contracts were utilized. The COTA Board approval limits contracts in-place to a maximum hedge ratio of up to 100% of forecast consumption, up to thirty-six (36) months into the future. The initial value of each contract is zero.

(11) Energy Pricing Management Program (continued)

The price of diesel fuel purchased is the published Columbus, Ohio OPIS price for the week plus or minus a differential agreed to through a competitive bidding process. The differential to the published Columbus, Ohio OPIS price was $0.0315 and $0.0339 per gallon at December 31, 2016 and 2015, respectively. The price of natural gas purchased is the New York Mercantile Exchange monthly closing index plus or minus a margin agreed to through a competitive bidding process. The contracted margin is $0.0319/DTH through August 31, 2018. For the year ending December 31, 2016 a loss of $1,694,539 ($0.72 per gallon) was recognized as an increase in diesel fuel expense. For the year ending December 31, 2015 a loss of $2,412,036 ($1.01 per gallon) was recognized as an increase in diesel fuel expense. For the year ending December 31, 2016 there was no impact to the natural gas expense for the open natural gas contracts. On December 31, 2016 the open diesel fuel contracts had $638,744 of unrealized gain. On December 31, 2016, the open natural gas contracts had $64,675 of unrealized gain. The amount realized will change based on market prices at the time all contract settlements are fixed. There is no debt associated with these contracts.

(12) Change in Accounting Principle

For 2016, the Authority implemented the Governmental Accounting Standards Board (GASB) Statements No. 72, *Fair Value Measurement and Application*, No. 73, *Accounting and Financial reporting for Pension and Related Assets that are Not within the scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68, No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, No. 77, Tax Abatement Disclosures, and No. 79 Certain External Investment Pools and Pool Participants.* GASB No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments, as well as requiring certain disclosures related to all fair value measurements be presented with the financial statement. GASB Statement No. 73 improves the usefulness of information about pensions included in the general purpose financial reports of state and local governments for making decisions and assessing accountability. GASB Statement No. 76 elevates GASB Implementation Guides in the GAAP hierarchy as well as emphasizing importance of analogies to authoritative literature when not specified in authoritative GAAP. GASB Statement No. 77 required certain disclosures that will provide users with information concerning tax abatement programs having an impact on the financial position of the reporting government. GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost as well as requiring additional not disclosure requirements for governments that participate in those investment pools. The Authority participates in STAR Ohio which implemented the provisions of GASB 79 for 2016.

The Authority implemented the applicable provisions of the GASB Statements noted above in the fiscal year 2016 financial statements, however, none of the aforementioned Statements had an effect on beginning net position.

It should also be noted that in June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which will require the reporting entity to recognize on the face of the financial statements, its proportionate share of the net OPEB liability related to its participation in the Ohio Public Employees Retirement System (OPERS). This Standard also enhances accountability and transparency through revised note disclosures and required supplementary information. The provisions of this Standard are required to be implemented for reporting periods beginning after June 15, 2017. The Authority has not early implemented GASB Statement No. 75 and is currently in the process of evaluating the impact this Standard will have on its financial statements.

Required Supplementary Information

CENTRAL OHIO TRANSIT AUTHORITY
Schedule of the Authority's Proporationate Share of the Net Pension Liability (Asset)
Last Three Years (1)

	2015	2014	2013
Ohio Public Employees Retirement System:			
Authority's Proporation of the Net Pension Liability	0.390550%	0.363971%	0.363971%
Authority's Proportionate Share of the Net Pension Liability	$ 67,648,215	$ 43,734,920	$ 42,862,731
Authority's Covered-Employee Payroll	$ 48,887,633	$ 44,622,933	$ 38,340,346
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	138.37%	98.01%	103.30%
Plan Fiduciary net Pension as a Percentage of the Total Pension Liability	81.08%	86.45%	86.36%

Note: Information prior to 2013 is not available. The Authority will continue to present information for years available until a full ten-year trend is presented.

(1) Amount presented as of the Authority's measurement date which is the prior fiscal year.

CENTRAL OHIO TRANSIT AUTHORITY
Schedule of the Authority's Contributions
Last Four Years

	2016	2015	2014	2013
Ohio Public Employees Retirement System				
Contractually Required Contribution	$ 6,331,754	$ 5,866,516	$ 5,354,752	$ 4,984,245
Contributions in Relation to the Contractually Required Contributions	(6,331,754)	(5,866,516)	(5,354,752)	(4,984,245)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Authority Covered-Employee Payroll	$ 52,764,617	$ 48,887,633	$ 44,622,933	$ 38,340,346
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	12.00%	13.00%

Note: Information prior to 2013 is not available. The Authority will continue to present information for years available until a full ten-year trend is presented.

See notes to financial statements.

CENTRAL OHIO TRANSIT AUTHORITY
Supplemental Schedule of Revenues, Expenses and Changes in Net Position - Budget vs. Actual (Accrual Basis)
Year ended December 31, 2016

	BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES	$ 20,349,109	$ 19,525,395	$ (823,714)
OPERATING EXPENSES OTHER THAN DEPRECIATION:			
Labor	59,259,848	51,926,191	7,333,657
Fringe benefits	25,293,921	35,780,980	(10,487,059)
Materials and supplies	8,868,011	9,040,554	(172,543)
Fuel	5,351,500	4,945,771	405,729
Purchased transportation	8,080,516	7,822,141	258,375
Services	10,502,577	10,286,395	216,182
Utilities	2,250,611	2,037,416	213,195
Claims and insurance, net of settlements	200,650	57,397	143,253
Miscellaneous	3,070,396	2,928,144	142,252
Total	122,878,030	124,824,989	(1,946,959)
DEPRECIATION	24,900,000	25,376,426	(476,426)
Total operating expenses	147,778,030	150,201,415	(2,423,385)
OPERATING LOSS	(127,428,921)	(130,676,020)	(3,247,099)
NON-OPERATING REVENUES (EXPENSES):			
Sales tax revenues	127,885,304	131,793,840	3,908,536
Federal operating grant	420,000	562,086	142,086
State operating grants, reimbursements and special fare assistance	731,702	595,309	(136,393)
Investment income	204,000	906,987	702,987
Non-transportation and other revenues	860,370	970,525	110,155
Regional transit subsidy	(1,239,951)	(1,507,713)	(267,762)
Non-operating project expense	(9,160,049)	(1,216,008)	7,944,041
Loss on disposal of capital assets	-	(288,560)	(288,560)
Total	119,701,376	131,816,466	12,115,090
Change before capital grants	(7,727,545)	1,140,446	8,867,991
CAPITAL GRANT REVENUE:			
Federal	30,499,207	13,830,395	(16,668,812)
Total	30,499,207	13,830,395	(16,668,812)
CHANGE IN NET POSITION	22,771,662	14,970,841	(7,800,821)
NET POSITION, BEGINNING OF YEAR	365,252,649	365,252,649	-
NET POSITION, END OF YEAR	$ 388,024,311	$ 380,223,490	$ (7,800,821)

STATISTICAL SECTION

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

Financial Trends and Revenue Capacity
P49-57

These schedules indicate how the Authority's performance and conditions have changed over a ten year time frame. Also contained in these schedules in information to help the reader understand the Authority's most significant revenue sources.

Debt Capacity
P58-60

These schedules indicate COTA specific debt service information as well as direct and overlapping debt computations from Franklin County.

Economic and Demographic Information
P61-63

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

Operating Information
P64-68

These schedules contain data to help the reader understand how to the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

CENTRAL OHIO TRANSIT AUTHORITY
NET POSITION COMPONENT
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	* 2014	2015	2016
NET POSITION										
Investment in Capital Assets	$ 64,712,680	$ 79,797,680	$ 106,204,159	$ 134,494,411	$ 150,015,663	$ 172,552,456	$ 190,576,138	$ 208,365,365	$ 221,585,618	$ 217,487,368
Unrestricted	35,104,679	56,749,764	67,171,079	79,196,164	101,209,722	118,063,994	140,748,674	119,832,630	143,667,031	162,736,122
TOTAL NET POSITION	$ 99,817,359	$ 136,547,444	$ 173,375,238	$ 213,690,575	$ 251,225,385	$ 290,616,450	$ 331,324,812	$ 328,197,995	$ 365,252,649	$ 380,223,490

* 2014 was restated in 2015 for implementation of GASB 68.
Amounts are presented in accordance with generally accepted accounting principles, on an accrual basis
Source: The Authority's independently audited annual financial statements

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATING REVENUES:										
Passenger fares for transit service	$ 12,666	$ 13,492	$ 13,272	$ 15,402	$ 17,225	$ 19,256	$ 19,519	$ 20,130	$ 19,137	$ 18,663
Special transit fares	391	486	535	656	671	772	775	781	879	862
Charter service revenue	-	-	-	-	-	-	-	-	-	-
Auxiliary transportation revenue	238	64	-	21	12	-	-	-	-	-
Total operating revenues	13,295	14,042	13,807	16,079	17,908	20,028	20,294	20,911	20,016	19,525
OPERATING EXPENSES OTHER THAN DEPRECIATION										
Labor	28,498	30,080	33,463	35,676	37,623	38,037	39,805	43,216	46,537	51,926
Fringe Benefits	18,334	18,930	21,490	23,384	24,302	24,676	26,120	28,402	29,517	35,781
Services	4,096	4,887	5,723	6,118	6,522	5,993	7,744	7,269	8,190	10,286
Materials and Supplies	4,759	5,142	5,515	5,857	6,297	6,307	6,958	7,372	8,256	9,041
Fuel	5,326	9,041	4,979	6,354	7,588	8,387	9,025	8,536	6,806	4,946
Utilities	1,502	1,711	1,727	1,894	1,937	1,552	1,811	2,179	2,099	2,038
Claims and Insurance	675	509	348	(84)	338	80	(454)	246	150	57
Taxes	766	817	900	960	937	934	1,037	860	814	750
Purchased transportation	5,016	6,071	6,053	6,061	6,533	6,733	7,136	7,652	7,742	7,822
Leases and rentals	209	223	351	341	284	185	183	184	175	186
Miscellaneous	586	940	833	769	743	854	938	1,278	1,653	1,992
Total	69,767	78,351	81,382	87,330	93,104	93,738	100,303	107,194	111,939	124,825
Depreciation	8,227	7,938	13,877	12,672	13,333	16,335	20,048	22,094	24,469	25,376
Total operating expenses	77,994	86,289	95,259	100,002	106,437	110,073	120,351	129,288	136,408	150,201
OPERATING LOSS	(64,699)	(72,247)	(81,452)	(83,923)	(88,529)	(90,045)	(100,057)	(108,377)	(116,392)	(130,676)
NON-OPERATING REVENUES(EXPENSES)										
Sales Tax Revenues	47,616	92,495	88,095	93,437	98,993	105,854	111,214	118,663	125,163	131,794
Federal operating grants and reimbursements	11,480	-	-	90	2,995	406	1,224	22	267	562
State operating grants, reimbursements and special fare assistance	1,416	1,488	1,409	962	996	917	830	745	619	596
Investment income	1,177	699	87	38	29	423	143	384	274	907
Non-transportation and other revenue	748	650	1,041	987	1,088	947	1,048	933	952	971
Regional transit subsidy	-	-	-	-	-	-	-	(1,072)	(240)	(1,508)
Non-operating project expense	-	-	-	-	-	-	-	-	-	(1,216)
Gain(Loss) on sale of capital assets	-	(107)	(1,157)	(650)	(56)	(933)	-	(30)	22	(289)
Total non-operating revenues(expenses)	62,437	95,225	89,475	94,864	104,045	107,614	114,459	119,645	127,057	131,817
Gain(Loss) before capital grants and special item	(2,262)	22,978	8,023	10,941	15,516	17,569	14,402	11,268	10,665	1,141
CAPITAL GRANT REVENUES										
Federal	7,924	12,753	27,492	24,914	19,359	20,835	26,307	22,926	26,389	13,830
State	2,136	999	1,313	4,461	2,660	986	-	-	-	-
Total	10,060	13,752	28,805	29,375	22,019	21,821	26,307	22,926	26,389	13,830
SPECIAL ITEM										
Loss on project impairment	(947)	-	-	-	-	-	-	-	-	-
CHANGES IN NET POSITION	6,851	36,730	36,828	40,316	37,535	39,390	40,709	34,194	37,054	14,971
NET POSITION, BEGINNING OF YEAR	92,966	99,817	136,547	173,375	213,691	251,226	290,616	331,325	328,198	365,252
Restatement, GASB 68	-	-	-	-	-	-	-	(37,321)	-	-
NET POSITION, END OF YEAR	$ 99,817	$ 136,547	$ 173,375	$ 213,691	$ 251,226	$ 290,616	$ 331,325	$ 328,198	$ 365,252	$ 380,223

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

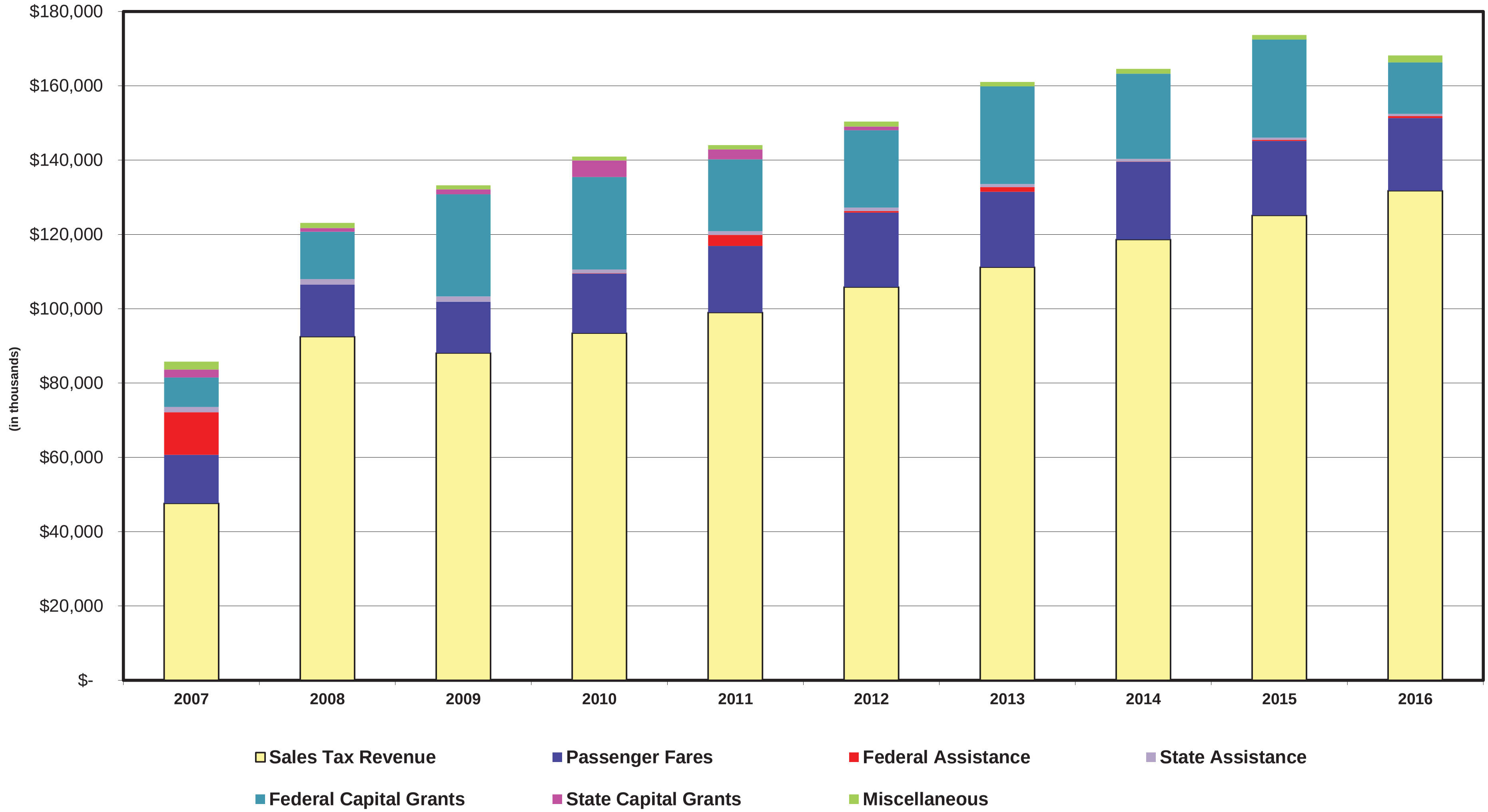
CENTRAL OHIO TRANSIT AUTHORITY
Revenues by Source
Last Ten Fiscal Years
(in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OPERATING REVENUES:										
Passenger fares for transit service	$ 12,666	$ 13,492	$ 13,272	$ 15,402	$ 17,225	$ 19,256	$ 19,519	$ 20,130	$ 19,137	$ 18,663
Special transit fares	391	486	535	656	671	772	775	781	879	862
Auxiliary transportation revenue	238	64	-	21	12	-	-	-	-	-
Total operating revenues	13,295	14,042	13,807	16,079	17,908	20,028	20,294	20,911	20,016	19,525
NON-OPERATING REVENUES:										
Sales tax revenues	47,616	92,495	88,095	93,437	98,993	105,854	111,214	118,663	125,163	131,794
Federal operating grants	11,480	-	-	90	2,995	406	1,224	22	267	562
State operating grants, reimbursements and special fare assistance	1,416	1,488	1,409	962	996	917	830	745	620	596
Investment income	1,177	699	87	38	29	423	143	384	274	907
Non-transportation and other revenues	748	650	1,041	987	1,088	947	1,048	933	974	971
Total nonoperating revenues before capital gifts and grants	62,437	95,332	90,632	95,514	104,101	108,547	114,459	120,747	127,298	134,830
Capital gifts and grants:										
Federal capital grants	7,924	12,753	27,492	24,914	19,359	20,835	26,307	22,926	26,389	13,830
State and other capital grants	2,136	1,000	1,313	4,461	2,660	986	-	-	-	-
Total non-operating revenues	72,497	109,085	119,437	124,889	126,120	130,368	140,766	143,673	153,687	148,660
TOTAL REVENUES	$ 85,792	$ 123,127	$ 133,244	$ 140,968	$ 144,028	$ 150,396	$ 161,060	$ 164,584	$ 173,703	$ 168,185

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

CENTRAL OHIO TRANSIT AUTHORITY

Revenues by Source
Last Ten Fiscal Years



CENTRAL OHIO TRANSIT AUTHORITY
Revenues and Operating Assistance - Comparison to Industry Trend Data Last Ten Fiscal Years

TRANSPORTATION INDUSTRY (1)

	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE			
YEAR	PASSENGER	OTHER	TOTAL	STATE & LOCAL	FEDERAL	TOTAL	TOTAL ALL REVENUES
2007	31.4	14.1	45.5	47.0	7.5	54.5	100.0
2008	31.2	12.9	44.1	48.9	7.0	55.9	100.0
2009	31.5	12.5	44.0	47.8	8.2	56.0	100.0
2010	32.1	11.9	44.0	46.6	9.4	56.0	100.0
2011	32.8	11.1	43.9	46.3	9.8	56.1	100.0
2012	32.5	11.1	43.6	47.5	8.9	56.4	100.0
2013	32.5	10.3	42.8	48.3	8.9	57.2	100.0
2014	32.0	10.8	42.8	48.6	8.6	57.2	100.0
2015	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*

CENTRAL OHIO TRANSIT AUTHORITY (2)

	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE			
YEAR	PASSENGER	OTHER (3)	TOTAL	STATE & LOCAL (4)	FEDERAL	TOTAL	TOTAL ALL REVENUES
2007	14.8	14.2	29.0	57.6	13.4	71.0	100.0
2008	11.0	12.3	23.3	76.7	0.0	76.7	100.0
2009	10.0	22.5	32.5	67.5	0.0	67.5	100.0
2010	10.9	21.6	32.5	67.4	0.1	67.5	100.0
2011	12.0	16.1	28.1	69.8	2.1	71.9	100.0
2012	12.8	15.4	28.2	71.5	0.3	71.8	100.0
2013	12.1	17.1	29.2	70.0	0.8	70.8	100.0
2014	12.2	14.7	26.9	73.1	0.0	73.1	100.0
2015	11.0	15.9	26.9	72.9	0.2	73.1	100.0
2016	11.1	9.3	20.4	79.3	0.3	79.6	100.0

* Information not available

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

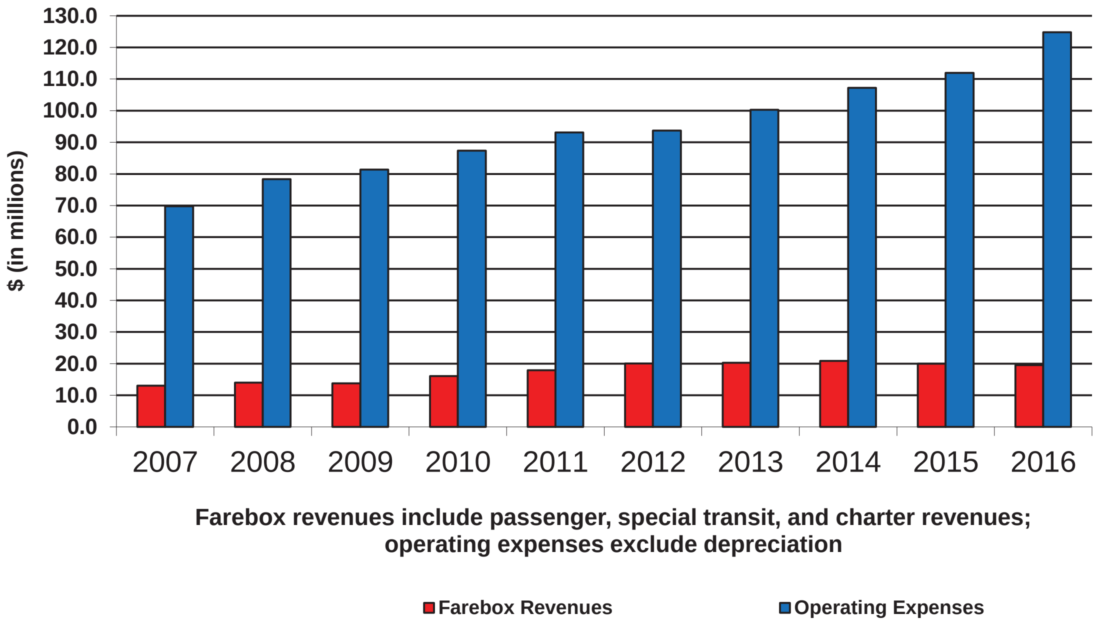
(2) Percentages are derived from the Authority's independently audited annual financial statements.

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

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

CENTRAL OHIO TRANSIT AUTHORITY

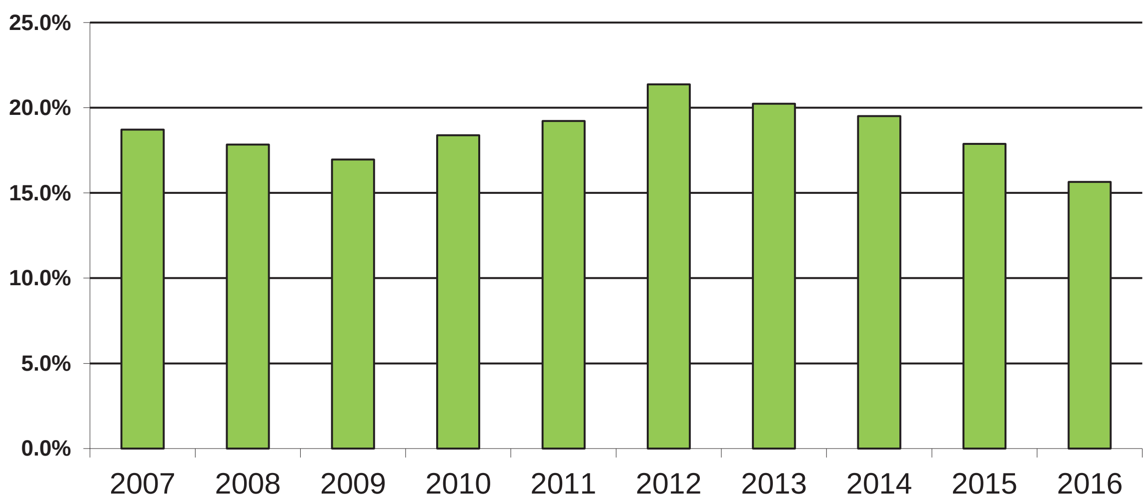
Farebox Revenues vs. Operating Expenses
Last Ten Fiscal Years



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

CENTRAL OHIO TRANSIT AUTHORITY

Farebox Recovery Ratio
Last Ten Fiscal Years



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

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

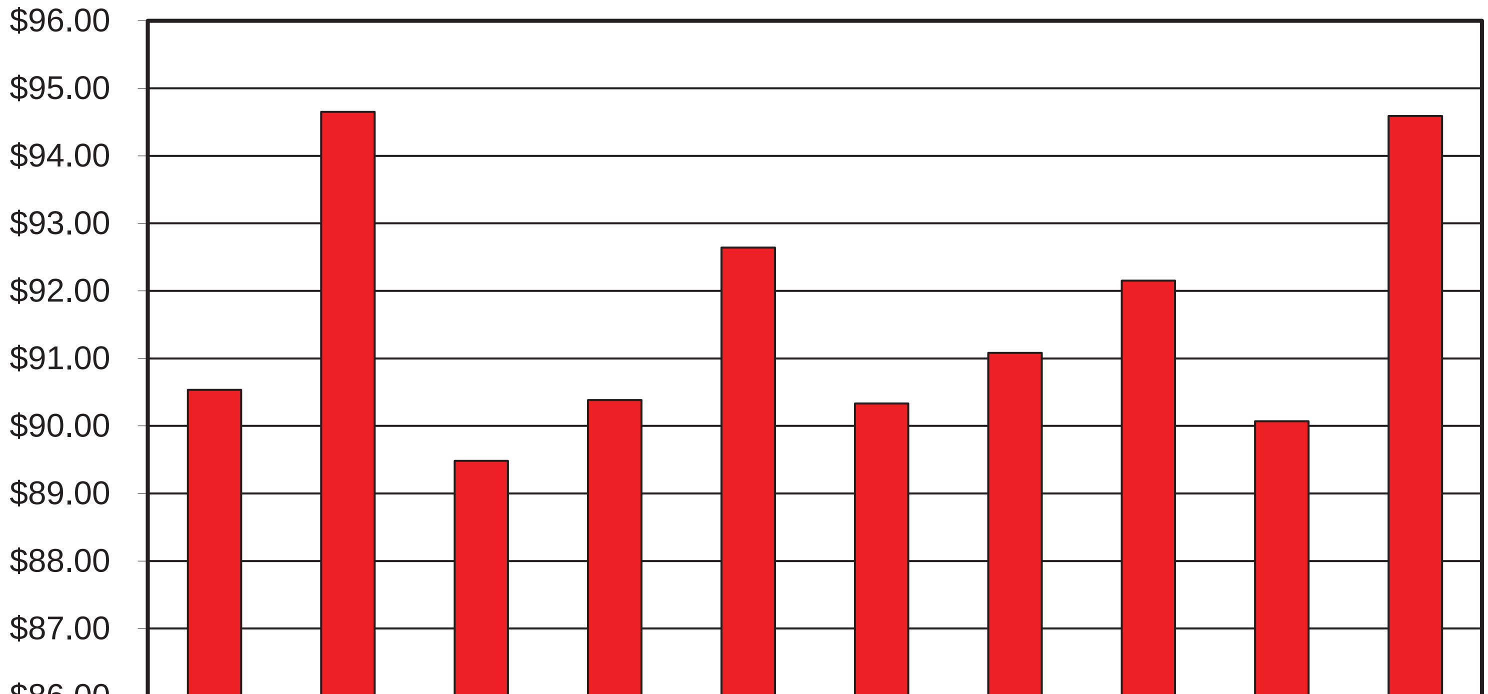
OPERATING EXPENSES	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
OTHER THAN DEPRECIATION:										
Labor	$ 28,498	$ 30,080	$ 33,463	$ 35,676	$ 37,623	$ 38,037	$ 39,805	$ 43,216	$ 46,537	$ 51,926
Fringe benefits	18,334	18,930	21,490	23,384	24,302	24,676	26,120	28,402	29,517	35,781
Services	4,096	4,887	5,723	6,118	6,522	5,993	7,744	7,269	8,190	10,286
Materials and supplies	4,759	5,142	5,515	5,857	6,297	6,307	6,958	7,372	8,256	9,041
Fuel	5,326	9,041	4,979	6,354	7,588	8,387	9,025	8,536	6,806	4,946
Utilities	1,502	1,711	1,727	1,894	1,937	1,552	1,811	2,179	2,099	2,038
Claims and insurance	675	509	348	(84)	338	80	(454)	246	150	57
Taxes	766	817	900	960	937	934	1,037	860	814	750
Purchased transportation	5,016	6,071	6,053	6,061	6,533	6,733	7,136	7,652	7,742	7,822
Leases and rentals	209	223	351	341	284	185	183	184	175	186
Miscellaneous	586	940	833	769	743	854	938	1,278	1,653	1,992
Total	69,767	78,351	81,382	87,330	93,104	93,738	100,303	107,194	111,939	124,825
DEPRECIATION	8,227	7,938	13,877	12,672	13,333	16,335	20,048	22,094	24,469	25,376
Total operating expenses	77,994	86,289	95,259	100,002	106,437	110,073	120,351	129,288	136,408	150,201
NONOPERATING EXPENSES:										
Loss on sale of capital assets	0	107	1,157	650	56	933	-	30	-	289
Non-operating project expense	-	-	-	-	-	-	-	-	-	1,216
Regional transit subsidy	-	-	-	-	-	-	-	1,072	240	1,508
TOTAL EXPENSES	$ 77,994	$ 86,396	$ 96,416	$ 100,652	$ 106,493	$ 111,006	$ 120,351	$ 130,390	$ 136,648	$ 153,214

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

Source: The Authority's independently audited annual financial statements

CENTRAL OHIO TRANSIT AUTHORITY

Operating Expenses per Vehicle Hour
Last Ten Fiscal Years



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expense per Vehicle Hour	$90.53	$94.65	$89.48	$90.38	$92.64	$90.33	$91.08	$92.15	$90.07	$94.59

Operating expenses exclude depreciation

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

TRANSPORTATION INDUSTRY (1)

YEAR	LABOR AND FRINGES	SERVICES	MATERIALS AND SUPPLIES	UTILITIES	CLAIMS AND INSURANCE	PURCHASED TRANS-PORTATION	OTHER	TOTAL OPERATING EXPENSES
2007	65.8%	6.1%	11.6%	3.4%	2.4%	13.0%	(2.3%)	100.0%
2008	63.9%	6.3%	12.8%	3.4%	2.2%	13.7%	(2.3%)	100.0%
2009	64.8%	6.6%	11.3%	3.5%	2.3%	14.0%	(2.5%)	100.0%
2010	65.2%	6.6%	10.7%	3.4%	2.6%	13.8%	(2.3%)	100.0%
2011	65.0%	6.6%	11.4%	3.3%	2.6%	13.3%	(2.2%)	100.0%
2012	64.0%	6.9%	11.7%	3.2%	2.2%	13.8%	(1.9%)	100.0%
2013	60.7%	7.1%	11.2%	3.1%	2.4%	13.7%	1.8%	100.0%
2014	61.1%	6.9%	11.0%	3.2%	2.5%	13.6%	1.7%	100.0%
2015	*	*	*	*	*	*	*	*
2016	*	*	*	*	*	*	*	*

CENTRAL OHIO TRANSIT AUTHORITY (2)

YEAR	LABOR AND FRINGES	SERVICES	MATERIALS AND SUPPLIES	UTILITIES	CLAIMS AND INSURANCE	PURCHASED TRANS-PORTATION	OTHER	TOTAL OPERATING EXPENSES (3)
2007	67.1%	5.9%	14.5%	2.2%	1.0%	7.2%	2.1%	100.0%
2008	62.6%	6.2%	18.1%	2.2%	0.6%	7.7%	2.6%	100.0%
2009	67.5%	7.0%	12.9%	2.1%	0.4%	7.4%	2.7%	100.0%
2010	67.6%	7.0%	14.0%	2.2%	0.0%	6.9%	2.2%	99.9%
2011	66.5%	7.0%	14.9%	2.1%	0.5%	7.0%	1.9%	99.9%
2012	66.9%	6.4%	15.7%	1.7%	0.2%	7.2%	1.9%	100.0%
2013	65.7%	7.7%	15.9%	1.8%	-0.5%	7.1%	2.3%	100.0%
2014	66.8%	6.8%	14.8%	2.0%	0.2%	7.1%	2.3%	100.0%
2015	67.9%	7.3%	13.5%	1.9%	0.1%	6.9%	2.4%	100.0%
2016	70.3%	8.2%	11.2%	1.6%	0.0%	6.3%	2.3%	100.0%

* Information not available

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

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

(3) Total operating expenses exclude depreciation

CENTRAL OHIO TRANSIT AUTHORITY
LEGAL DEBT MARGIN
DECEMBER 31, 2016
(IN THOUSANDS)

CALCULATION OF LEGAL OVERALL DEBT MARGIN:

Total assessed property valuation of Authority (2016 tax year valuation) (1)	$ 27,990,535,515
Multiplied by: Legal overall debt limitation (%)	5.00%
Equals: Total legal voted and unvoted debt limitation	$ 1,399,526,776
Less: Nonexempt general obligation debt (voted and unvoted) (2)	$ -
Equals: Legal overall debt margin (maximum amount permitted for new voted and unvoted nonexempt general obligation debt issuances)	$ 1,399,526,776

CALCULATION OF LEGAL UNVOTED DEBT MARGIN:

Total assessed property valuation of Authority (2015 tax year valuation) (1)	$ 27,990,535,515
Multiplied by: Legal unvoted debt limitation (%)	0.10%
Equals: Legal unvoted debt limitation	$ 27,990,536
Less: Maximum aggregate amounts of principal and interest payable in any one calendar year (2)	$ -
Equals: Legal unvoted debt margin (maximum annual debt service charges permitted for new unvoted nonexempt general obligation debt issuances)	$ 27,990,536

(1) Source: Franklin County Auditor's Office

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

YEAR	POPULATION (1)	ASSESSED VALUE (2)	GENERAL BONDED DEBT (3)	RATIO OF BONDED DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
2007	1,153,932	$ 28,259,014,070	$ -	0.00%	$0.00
2008	1,160,308	$ 28,772,964,620	$ -	0.00%	$0.00
2009	1,164,725	$ 28,943,091,370	$ -	0.00%	$0.00
2010	1,163,414	$ 28,868,029,740	$ -	0.00%	$0.00
2011	1,173,158	$ 27,147,358,600	$ -	0.00%	$0.00
2012	1,168,018	$ 26,973,196,500	$ -	0.00%	$0.00
2013	1,195,537	$ 27,018,525,940	$ -	0.00%	$0.00
2014	1,231,393	$ 27,221,010,540	$ -	0.00%	$0.00
2015	1,251,722	$ 27,907,630,030	$ -	0.00%	$0.00
2016	*	$ 27,990,535,515	$ -	0.00%	$0.00

* Information not available

(1) U. S. Census Bureau

(2) Source: Franklin County Auditor's Office

(3) The Authority's independently audited annual financial statements

CENTRAL OHIO TRANSIT AUTHORITY
Computation of Direct and Overlapping General Obligation Debt
December 31, 2016

Franklin County Total Value	$27,067,822,750
Licking County (City of Reynoldsburg)	$177,770,955
Delaware County (Westerville & Columbus)	$583,994,930
Fairfield County (Columbus and Reynoldsburg)	$160,946,880
***Assessed Value for COTA = $**	**$27,990,535,515**

* The above amounts are all less Tangible Personal

Political Subdivision	General Obligation Debt	Percentage Applicable to COTA	Amount Applicable to COTA
COTA	-	100.0%	-
Franklin County	262,871,959	100.0%	262,871,959
Cities wholly within COTA	1,511,219,794	100.0%	1,511,219,794
Cities with Overlapping:			
City of Dublin	27,555,000	83.3%	22,953,315
City of Pickerington	13,115,000	0.4%	52,460
Villages wholly within COTA	2,464,000	100.0%	2,464,000
Villages with Overlapping:			
Village of Canal Winchester	5,130,235	86.4%	4,432,523
Townships wholly within COTA	19,700,000	100.0%	19,700,000
Townships with Overlapping:			
Washington Township	0	85.7%	0
School Districts wholly within COTA	691,588,722	100.0%	691,588,722
School Districts with Overlapping:			
Canal Winchester Local S.D.	51,410,680	72.2%	37,118,511
Dublin City S.D.	126,349,937	76.6%	96,784,052
Hilliard City S.D.	108,515,435	100.0%	108,515,435
Licking Heights Local S.D.	48,454,640	53.0%	25,680,959
Olentangy Local S.D.	370,169,906	0.1%	370,170
Pickerington Local S.D.	99,194,908	1.5%	1,487,924
Plain Local S.D.	91,560,045	100.0%	91,560,045
South-Western City S.D.	169,695,000	99.8%	169,355,610
Teays Valley Local S.D.	30,075,000	0.1%	30,075
Westerville City S.D.	59,270,000	62.5%	37,043,750
Delaware County Joint Vocational S.D.	-	0.0%	0
Eastland Joint Vocational S.D.	1,750,000	57.8%	1,011,500
Licking County Joint Vocational S.D.	18,785,000	6.7%	1,258,595
Special District with Overlapping:			
Delaware County District Library	-	0.0%	-
New Albany/Plain Jnt Park District	4,894,476	100.0%	4,894,476
Total			3,090,393,875

Source: Ohio Municipal Advisory Council database

Notes: 1. Percentage applicable to COTA equals the Franklin County value of the political subdivision divided by the total valuation. TY2015/CY2016 values are used.
2. General Obligation debt includes Limited and Unlimited issues except for City of Columubs (Limited only)

CENTRAL OHIO TRANSIT AUTHORITY
Demographic Statistics
Last Ten Fiscal Years

YEAR	POPULATION (1)	PER CAPITA INCOME (2)	MEDIAN AGE (3)	K - 12 SCHOOL ENROLLMENT (4)	UNEMPLOYMENT RATE (5)
2007	1,153,932	$38,556	34.5	189,072	4.7%
2008	1,160,308	$39,165	32.6	206,197	5.5%
2009	1,164,725	$38,020	33.1	216,820	10.9%
2010	1,163,414	$38,170	33.4	208,698	9.6%
2011	1,173,158	$39,646	34.9	197,082	8.1%
2012	1,168,018	$42,624	33.6	192,902	6.7%
2013	1,195,537	$43,506	33.6	196,580	7.2%
2014	1,231,393	$45,158	33.8	218,349	4.8%
2015	1,251,722	$46,949	*	220,090	4.1%
2016	*	*	*	233,148	*

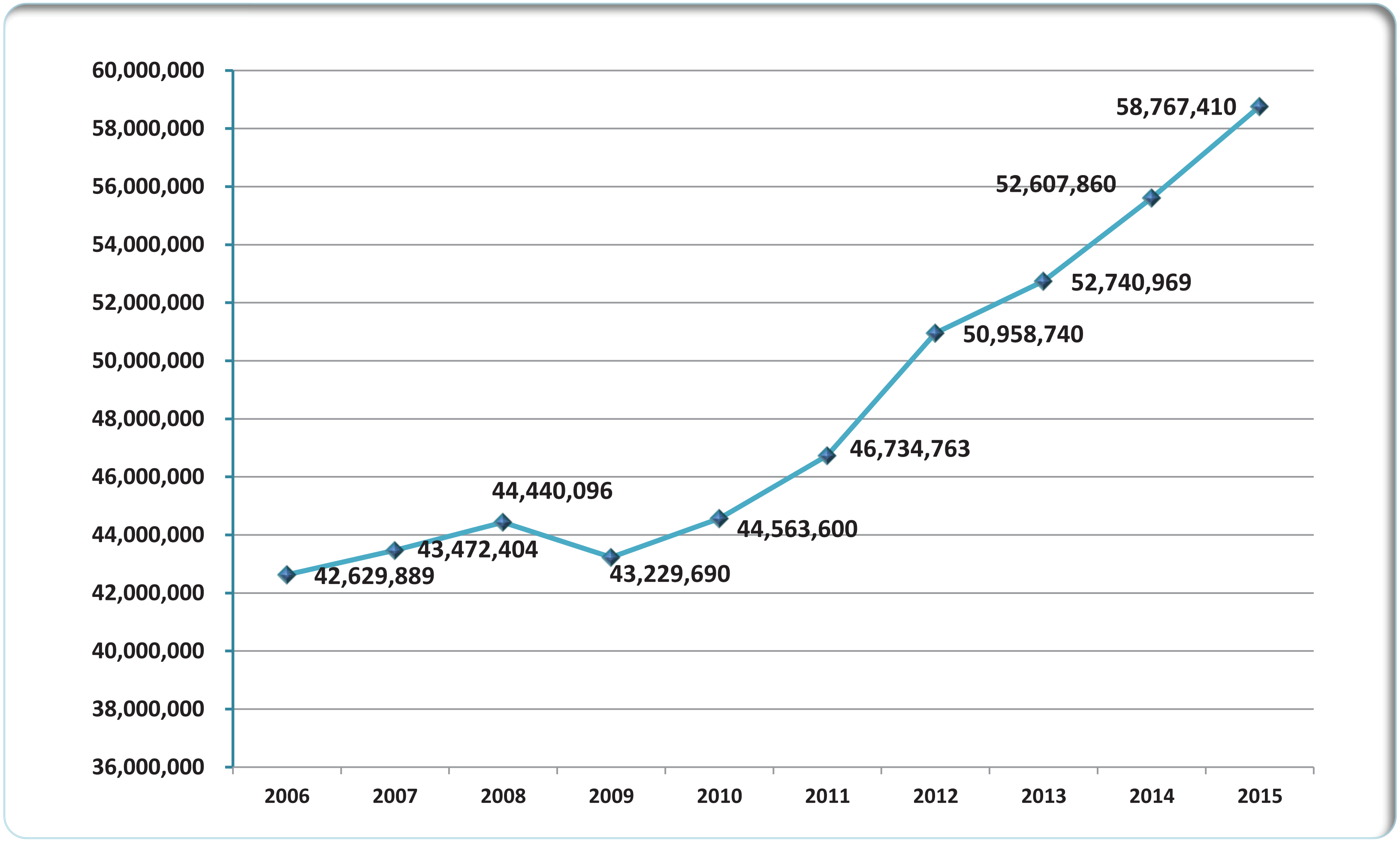
Note: All information presented is for Franklin County

* Information not available

Sources:

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

CENTRAL OHIO TRANSIT AUTHORITY
PERSONAL INCOME OF FRANKLIN COUNTY, OHIO
2006-2015
(in thousands)



Source: U.S. Bureau of Economic Analysis

CENTRAL OHIO TRANSIT AUTHORITY
LARGEST EMPLOYERS

RANKED BY NUMBER OF CENTRAL OHIO EMPLOYEES

Rank	Name of Employer	FTE 2015	% of Total	Rank	Name of Employer	FTE 2006	% of Total
1	Ohio State University	30,963	20.64%	**1**	State of Ohio	26,613	21.86%
2	State of Ohio	23,859	15.90%	**2**	Ohio State University	19,919	16.36%
3	OhioHealth Corp.	19,936	13.29%	**3**	JP Morgan Chase Bank	14,276	11.73%
4	JP Morgan Chase Bank	19,200	12.80%	**4**	Nationwide Mutual Insurance co.	11,834	9.72%
5	Nationwide Mutual Insurance co.	12,200	8.13%	**5**	United States Government	10,477	8.61%
6	Kroger Co.	10,242	6.83%	**6**	OhioHealth Corp.	9,413	7.73%
7	Mount Carmel Health System	8,818	5.88%	**7**	City of Columbus	8,106	6.66%
8	City of Columbus	8,510	5.67%	**8**	Columbus Public Schools	7,432	6.11%
9	Nationwide Children's Hospital	8,508	5.67%	**9**	Limited Brands Inc.	7,200	5.92%
10	Honda North America Inc.	7,800	5.20%	**10**	Wal-mart Stores Inc.	6,449	5.30%

Source Business First, Book of Lists, 2015 and 2006.

CENTRAL OHIO TRANSIT AUTHORITY
Fare Rate Structure
December 31, 2016

CASH OR TICKET FARES:		
Express	$	2.75
Local and Crosstown		2.00
Project Mainstream ADA Trip (1)		3.50
Project Mainstream Non-ADA Trip (1)		5.00
Transfer		Free
DAY PASSES (2):		
Adult (3)	$	4.50
Human Service Agency (4)		4.00
Children over 48" and under 12 years old, Senior Discount Card (5), or Key Card (6)		2.25
Seven-Day Pass		25.00
MONTHLY PASSES:		
Express	$	85.00
Local		62.00
Project Mainstream (1)		105.00
Senior Discount Card (5), or Key Card (6)		31.00
SPECIAL FARES:		
Children over 48" and under 12 years old, Senior Discount Card (5), or Key Card (6)	$	1.00
Children under 48" tall		Free
All ADA Card (7) recipients on fixed-route bus service only		Free
CBUS		Free
Summer Youth Pass June 1 - August 31 (8)		62.00

(1) Door-to-door service on demand, in wheelchair lift-equipped paratransit mini-buses, for eligible disabled riders holding an "ADA" card. ADA Trips are defined as trips originating 3/4 of a mile or less from an existing fixed-route bus line that is in operation within the time of day and day of the week. All other trips are considered a Non-ADA Trip.

(2) Good for unlimited travel on all local/crosstown routes from time of validation until midnight

(3) Additional $0.75 required for express service

(4) Distributed by approved nonprofit service agencies for use by their clientele

(5) Photo identification card, for riders aged 65 and over

(6) Photo identification card, for eligible disabled riders

(7) Photo identification card, for physically or mentally disabled riders for Project Mainstream service

(8) Age 17 or younger, additional $0.75 required for express service

CENTRAL OHIO TRANSIT AUTHORITY
Operating Statistics
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SYSTEM RIDERSHIP										
Motor bus	14,787,666	16,502,040	17,208,787	17,034,878	18,764,047	18,423,352	18,472,039	19,041,382	18,920,014	18,549,436
Demand responsive	182,181	216,489	237,949	238,290	259,883	268,960	277,467	285,817	282,515	278,410
AVERAGE WEEKDAY SYSTEM RIDERSHIP										
Motor bus	50,337	56,181	58,779	57,340	63,065	62,266	61,538	63,050	62,356	60,884
Demand responsive	591	709	779	782	858	873	887	935	908	898
VEHICLE MILES OPERATED										
Motor bus	9,017,363	9,460,805	10,519,662	11,049,687	11,518,844	11,859,067	12,569,131	13,258,367	14,259,176	15,349,203
Demand responsive	2,499,539	2,877,197	3,318,535	3,478,991	3,429,996	3,484,254	3,673,073	3,771,044	4,015,143	3,995,913
AVERAGE WEEKDAY VEHICLE MILES OPERATED										
Motor bus	30,085	32,134	35,331	36,911	38,551	39,047	41,152	42,354	44,991	49,431
Demand responsive	8,229	9,523	10,973	11,550	11,388	11,430	11,821	12,385	12,772	12,757
REVENUE MILES										
Motor bus	7,292,170	7,628,914	8,523,927	9,075,389	9,388,064	9,689,684	10,241,965	10,590,852	11,443,670	12,298,599
Demand responsive	2,248,932	2,567,604	2,803,983	2,875,824	3,003,424	3,082,210	3,276,594	3,382,851	3,495,999	3,479,659
PASSENGER MILES										
Motor bus	56,130,167	60,965,006	65,605,753	63,278,446	70,704,654	70,809,418	71,591,337	72,744,981	71,677,603	71,088,866
Demand responsive	1,802,332	2,113,438	2,352,821	2,387,942	2,571,127	2,696,146	2,846,852	2,922,005	2,975,485	3,000,810

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

(continued on next page)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
VEHICLE HOURS OPERATED (1)										
Motor bus..............................	635,828	678,302	753,377	801,137	835,880	861,213	918,742	974,096	1,045,171	1,118,776
Demand responsive..............	134,796	149,480	156,103	165,099	169,102	176,468	182,477	189,120	197,621	200,845
VEHICLE REVENUE HOURS (1)										
Motor bus..............................	577,336	615,332	685,030	732,886	766,606	789,004	841,428	879,037	948,248	1,013,167
Demand responsive..............	116,211	133,899	138,847	142,958	151,416	159,306	165,320	172,145	178,038	179,841
DIESEL, BIODIESEL, CNG GASOLINE FUEL USAGE (IN GALLONS)...................... (1)	2,396,400	2,592,382	2,738,935	2,877,839	2,979,458	2,969,188	3,133,556	3,339,858	3,649,358	3,851,735
FLEET REQUIREMENTS (DURING PEAK HOURS) (1)										
Motor bus..............................	195	219	235	241	247	257	261	275	284	295
Demand responsive..............	46	58	56	56	56	68	60	68	77	64
TOTAL REVENUE VEHICLES DURING PERIOD (1)										
Motor bus..............................	234	268	292	306	296	308	334	336	341	354
Demand responsive..............	60	62	66	65	64	74	66	74	78	72
NUMBER OF EMPLOYEES .... (1)	669	699	782	793	853	852	865	924	951	1,004

Source:

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

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

CLASSIFICATION	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
VEHICLE OPERATIONS	450	486	531	532	577	593	594	647	680	721
VEHICLE MAINTENANCE	101	99	116	114	123	117	121	123	125	130
NON-VEHICLE MAINTENANCE	25	27	33	37	36	35	30	28	27	29
GENERAL ADMINISTRATION	93	87	102	110	117	107	120	126	119	124
TOTAL LABOR	**669**	**699**	**782**	**793**	**853**	**852**	**865**	**924**	**951**	**1004**

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

CENTRAL OHIO TRANSIT AUTHORITY

Miscellaneous Statistics

For the Year ended December 31, 2016

Date of creation of Authority by local county and municipal governments	February 17, 1971
Date of acquisition of assets of Columbus Transit Company (C.T.C.)	June 29, 1973
Date of commencement of Authority operations	January 1, 1974
Form of government	Board of Trustees, with fulltime President/CEO
Number of Trustees	12 (two vacancies)
County in which Authority operates	Franklin County and small portions of adjacent Delaware, Fairfield, Union, and Licking Counties, Ohio
Type of tax support	Service Area Sales Tax - 1/4 % permanent 1/4 % temporary
Size of Authority	562
Miles of route	1114.1
Number of routes	68
Number of bus stop locations	3,511
Number of bus stop passenger shelters	371
Number of Park-and-Ride facilities	27
Parking capacity, all Park-and-Ride facilities	2,357
Number of active fleet buses	354
Average bus vehicle age	5
Average fixed-route system speed	13.72
Average fixed-route system fuel economy	4.37
Number of customer information calls received	801,127

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

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2016

Comprehensive Annual Financial Report

FOR FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

PREPARED BY:

FINANCE DIVISION • JEFFREY S. VOSLER • CFO/VICE PRESIDENT FINANCE

CENTRAL OHIO TRANSIT AUTHORITY

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Dave Yost • Auditor of State

CENTRAL OHIO TRANSIT AUTHORITY

FRANKLIN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JUNE 13, 2017

88 East Broad Street, Fourth Floor, Columbus, Ohio 43215-3506
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