GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 CUYAHOGA COUNTY, OHIO

Comprehensive Annual Financial Report

For the Years Ended December 31, 2017 and 2016

Greater Cleveland
Regional Transit Authority
Cuyahoga County, Ohio

Dennis M. Clough
President
Board of Trustees

Joseph A. Calabrese
CEO, General Manager/
Secretary- Treasurer

Prepared By:
Division of Finance and Administration
General Accounting

2017

INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Cleveland Regional Transit Authority, Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

GFOA Certificate of Achievement for Excellence Statement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Greater Cleveland Regional Transit Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the twenty-ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Greater Cleveland
Regional Transit Authority
Main Office
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Cleveland, OH 44113-1331
Phone 216 566-5100
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June 27, 2018

Dennis M. Clough, President,
and Members, Board of Trustees
Greater Cleveland Regional Transit Authority
and Residents of Cuyahoga County, Ohio:

It is a pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) of the Greater Cleveland Regional Transit Authority ("GCRTA" or "Authority") for the year ended December 31, 2017. This is the thirtieth such report issued by GCRTA. In the first year, there was no GFOA Certification. It has become the standard format used in presenting the results of the GCRTA's operations, financial position, cash flows and related statistical information.

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

Dave Yost, Auditor of State of Ohio, has issued an unmodified opinion on the GCRTA's financial statements for the year ended December 31, 2017. The Independent Auditor's Report is located at the front of the financial section of this report.

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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

GCRTA takes great pride in the fact that each of the previously issued Comprehensive Annual Financial Reports earned the recognition of the Government Finance Officers Association ("GFOA") in the form of its Certificate of Achievement for Excellence in Financial Reporting. This award evidences the fact that the previous CAFRs complied with stringent GFOA standards for professional financial reporting. GCRTA was the first public transit agency in Ohio to earn this important recognition and has consistently done so since 1988.

The GCRTA also submits its annual operating and capital budgets to the GFOA and has been doing so since 1990. Each of these budget documents has won the Distinguished Budget Presentation Award, having satisfied the most stringent program criteria and proven its value as (1) a policy document, (2) an operations guide, (3) a financial plan, and (4) a communication device.

PROFILE OF GOVERNMENT AND REPORTING ENTITY

The Greater Cleveland Regional Transit Authority is an independent political subdivision of the State of Ohio. It was created in December 1974 by ordinance of the City of Cleveland, Ohio, and by resolution of the Board of County Commissioners of Cuyahoga County, Ohio. Operations at GCRTA began in September 1975. The GCRTA provides virtually all mass transportation within the County. It is a multimodal system delivering bus, paratransit, heavy rail, light rail and bus rapid transit services.

A ten-member Board of Trustees (Board) establishes policy and sets direction for the management of the GCRTA. Four of the members are appointed by the Mayor of Cleveland with the consent of City Council; three members, one of whom must reside in the City of Cleveland, are appointed by the County Executive; the remaining three members are elected by suburban mayors, city managers, and township trustees. Board members serve overlapping three-year terms. Under the provisions of General Accounting Standards Board ("GASB") Statement No. 61, the GCRTA is considered to be a jointly governed organization.

Responsibility for the line administration rests with the CEO, General Manager/Secretary-Treasurer. He supervises five Deputy General Managers who head the Operations, Legal Affairs, Finance & Administration, Engineering & Project Management and the Human Resources divisions. Additionally, the Office of Management and Budget, Information Technology and the Office of Marketing and Communications function outside of the divisional configuration and report directly to the General Manager. The Internal Audit Department reports to the Board of Trustees and maintains a close working relationship with the General Manager. An organizational chart, which depicts these relationships, follows later in this introductory section.

The GCRTA had 2,196 employees as of December 31, 2017. The system delivered 13.4 million revenue miles of bus service and 3.3 million revenue miles on its heavy and light rail systems. The service fleet was composed of 402 motor bus coaches, 40 heavy rail cars, 48 light rail cars, and 170 Paratransit vehicles.

The annual cash-basis operating budget is proposed by management, at the department level, and adopted by the Board of Trustees after public discussion. The budget for each division and department is represented by appropriation. The Board must approve any increase in the total Authority appropriations. The General Manager must approve any inter-divisional budget transfers. The appropriate Deputy General Manager may modify appropriations to applicable departments within a division and to accounts within a department.

Budgetary control is maintained at the department level. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees. The GCRTA also maintains an encumbrance accounting system for budgetary control. Unencumbered appropriations lapse at year-end. Encumbered appropriation balances are carried forward to the succeeding year and need not be reauthorized.

ECONOMIC CONDITION AND OUTLOOK

The GCRTA's service area is contiguous with the boundaries of Cuyahoga County, Ohio. The County includes the City of Cleveland, two townships, and fifty-six other jurisdictions. This is the largest metropolitan area in Ohio and one of the largest counties in the United States. The population of this area is approximately 1.25 million people.

Historically, the foundation for Greater Cleveland's economic vitality had been heavy industry with the largest employment sector being manufacturing. The largest employment areas in 2017 were in the following industries:

- Healthcare/Education
- Trade/Transportation/Utilities
- Professional/Business services
- Government
- Insurance

Real property, consisting of agricultural, commercial, industrial, and residential real property is reappraised every six years. The current assessed value is estimated to be $27.6 billion. This process is the foundation for property taxation, and it sets the debt limitation for GCRTA.

CURRENT YEAR REVIEW

In 2017, RTA continued its pursuit to provide Greater Clevelanders with unparalleled connectivity, along with high quality service design and delivery.

This included:

- RTA purchasing new buses that will emit fewer greenhouse gases and less nitrous oxide pollution than the current diesel buses while contributing to RTA's sustainability commitment to the community-at-large.
- RTA launched a new van pool service which is a county-wide service to help customers who do not live on fixed route service. This service, VanShare, is a revenue neutral program.
- RTA began a new partnership with Metro-Health System. Metro-Health bought the naming rights to re-brand the 51 family of routes as bus rapid transit. The new Metro-Health line will offer commuters an upgraded ride on 20 new specifically designed vehicles.
- RTA branded museum stops to make it safer for customers on the Health-line to know which stops to use when they want to visit museums and gardens around the University Circle area.

Due to lower gasoline prices which led to an increase in individual automobile use, RTA experienced a decline in its system-wide ridership in 2017, delivering 39.61 million passenger trips, a decrease of 9.47% from 2016. The heavy rail service finished the year by serving 5.9 million customers, a 7.99% decrease from 2016. The light rail service decreased 1.65% to 2.1 million trips. Paratransit showed a 6.5% decline; the HealthLine, a bus rapid transit line the runs along Euclid Avenue connecting the downtown Cleveland to the Louis Stokes Station at Windermere, declined by 6.5%.

During 2017, RTA:

- Received the Partnership for Excellence (Baldridge Award) - Gold Level Certification.
- Received the Smart Business 2017 Customer Service Award
- Received the Campus District 2017 Infrastructure Award – East 34th Street Campus Station
- Received recognition, in “Who’s Who in Northeast Ohio” – CEO and General Manager Joseph Calabrese, for impact on the region

The year 2017 also presented a new challenge: modifications to the Sales & Use Tax went into effect on July 1. Unless the state of Ohio addresses these changes, RTA will lose upward of $20 million in revenue annually. Despite some challenges, we have worked to provide the best possible transit system for the region, and we will continue to do so for years to come.

PRESENT AND FUTURE PLANS

The Authority has continued to implement its Long-Range Plan. This Long-Range Plan serves as a blueprint for building tomorrow’s public transit by addressing shifts in our area’s population and employment centers, as well as changing travel patterns. This plan includes:

Transit Centers - Transit centers are strategically located where bus routes intersect and service is timed to provide easy transferring. Larger centers include indoor waiting areas and concessions. GCRTA has existing Transit Centers at Fairview Park, Euclid, North Olmsted, Maple Heights, Parma Mall and the Stephanie Tubbs Jones center in downtown Cleveland.

Park-N-Ride Lots - Parking lots are strategically located at freeway or other major intersections. Commuters leave their cars and ride express service to and from their destinations. GCRTA provides more than 8,300 parking spaces at 21 of the rapid transit stations. In addition, the Authority operates seven Park-N-Ride lots in Berea, Brecksville, Rocky River, Strongsville, North Olmsted, Euclid and Westlake with more than 1,680 parking spaces combined.

Paratransit Facility – The Paratransit Facility was built in 1983 and houses all Paratransit functions including scheduling, dispatching and both revenue and non-revenue repairs. In 2014, a propane fueling station was installed at the Paratransit Garage. In 2015, related propane related building enhancements and a 24-month rehabilitation project, including various facilities and equipment upgrades were completed.

CAPITAL IMPROVEMENT PLAN

The development of the 2017 budget included preparation of a five-year Capital Improvement Plan ("CIP"). This document is an outline for rebuilding and expanding services by the Authority through the end of 2021. Totaling $383.92 million, the CIP constitutes a significant public works effort aimed at remaking the transit network and positioning the Authority, not just for the short-term, but also for the long-term future. Significant capital improvements planned for the five-year period include:

Rail Projects - $95.16 million

This commitment of funds includes the replacement of several substations, stations and track rehabilitation, bridges, train control systems, rail vehicles overhaul, signage and rail expansion. Major significant projects include the rehabilitation of rail stations for $3.4 million, $9.17 million for various track rehabilitation projects, and $7.92 million for substation, electrical, and train signal improvements throughout they system.

Bridge Rehabilitation and Other Facility Improvements - $33.44 million

Funding has been provided for the rehabilitation of track bridges and includes State of Good Repair projects and other facility improvements totaling $12 million.

Bus Purchases, Paratransit Vehicles and Circulator Bus- $106.65 million

The useful life of a standard bus, as defined by the Federal Transit Administration ("FTA") is twelve years, or five hundred thousand miles. The Authority is aggressively reducing its fleet's average age by replacing its oldest vehicles.

Transit Centers and Shelters and Other - $1.52 million

The Authority will make an investment in the construction of Transit Centers over the next five years of $1.52 million. These centers will be designed to provide our riders with convenient connections between local, regional and downtown transit lines. Comfortable waiting areas and time-coordinated service will make it easier for riders to transfer between routes.

Equipment and Other- $19.54 million

This project calls for the on-going upgrades to the Management Information System throughout the Authority including Data Center, internet development and network improvements.

Local Capital Projects - $27.61 million

Classified as Routine Capital Projects ($8.30 million) and Asset Maintenance projects ($8.84 million), these initiatives are funded entirely from local resources. Routine Capital Projects are typically equipment requested by various departments and not funded through grants. Asset Maintenance funds are used to maintain, rehabilitate, replace, or construct assets of a smaller scope or cost than those typically supported with grants. These projects are authorized within the Authority's Capital Fund and are supported with annual allocations of sales tax receipts.

Operating Expenses and Other Expenses - $100.00 million

Certain operating costs are budgeted as capital items as designated by the Federal Transportation Administration (FTA) or the State government to be incurred over the next several years and are reimbursable by the Federal and State governments totaling $100 million. These costs are recorded as operating costs in the enclosed financial statements.

OTHER INFORMATION

Certificate of Achievement for Financial Reporting

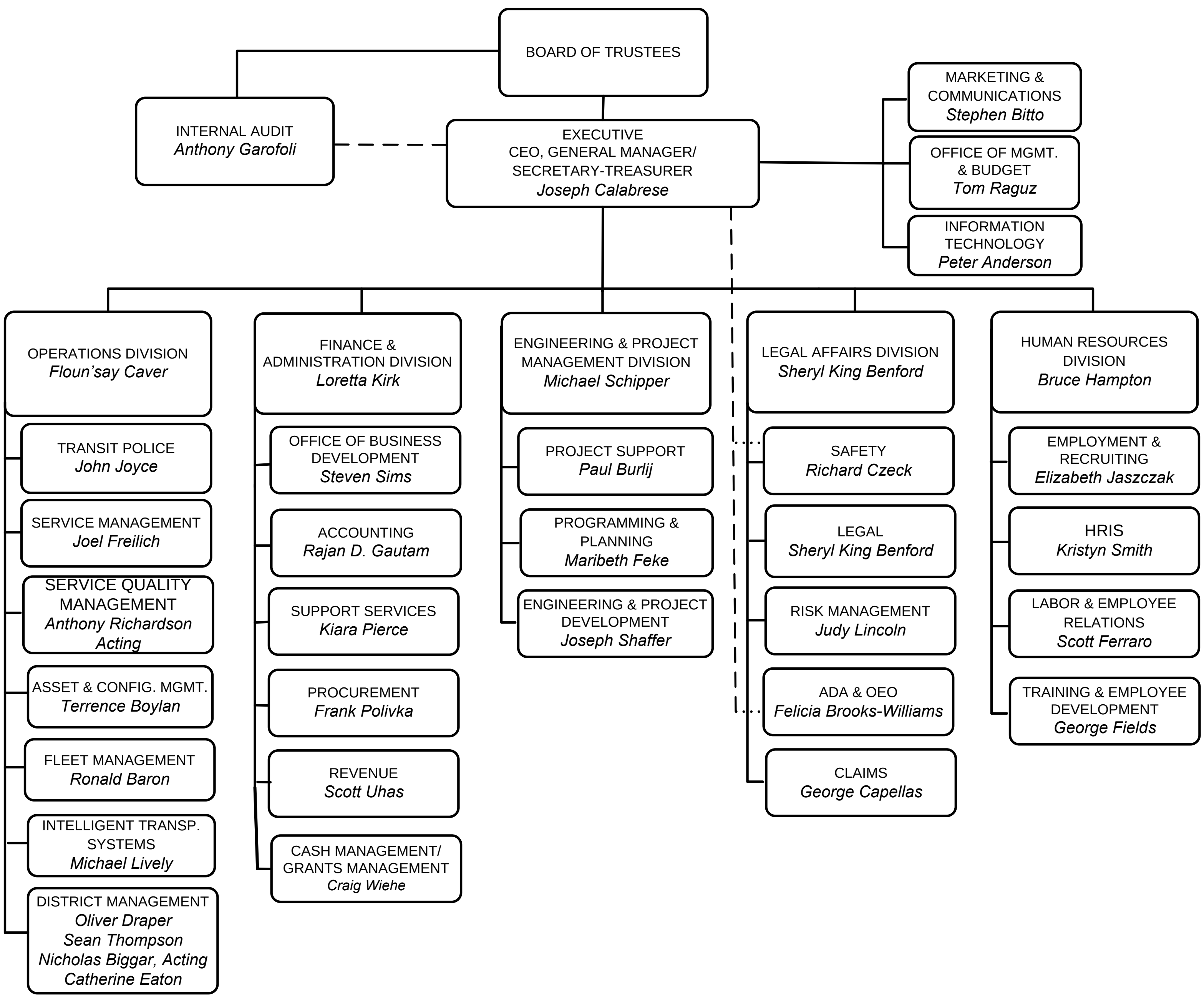
It is management's intention to submit this and future CAFRs to the Government Finance Officers Association of the United States and Canada for review under its Certificate of Achievement for Excellence in Financial Reporting Program. We believe the current report conforms to the program requirements, and we expect that participation will result in improvements to our reports in coming years.

Acknowledgments

The GCRTA expresses thanks to the staff of the Accounting Department for their work in preparing this report. Marsha Laney Pettus, David Pfeiffer, John Togher, Michael So, David Reynolds, Zardik Haruthunian, Cora Vlacovsky, and Milton Lagos assisted with this report. In addition, appreciation goes out to the Cuyahoga County Fiscal Officer for providing supporting demographics and other statistics.

Joseph A. Calabrese Chief Executive Officer, General Manager/ *Secretary-Treasurer*	**Rajan D. Gautam** Deputy General Manager, Finance & Administration

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
Organizational Chart as of December 31, 2017



Board of Trustees and Executive Management Team

BOARD OF TRUSTEES

EXECUTIVE MANAGEMENT TEAM

Joseph A. Calabrese
Chief Executive Officer,
General Manager/Secretary-Treasurer

George Fields
Acting Deputy General Manager,
Human Resources

Sheryl King Benford
General Counsel,
Deputy General Manager, Legal Affairs

Stephen Bitto
Executive Director,
Marketing & Communications

Tom Raguz
Executive Director,
Office of Management and Budget

Anthony Garofoli
Executive Director,
Internal Audit

Rajan D. Gautam
Deputy General Manager,
Finance & Administration

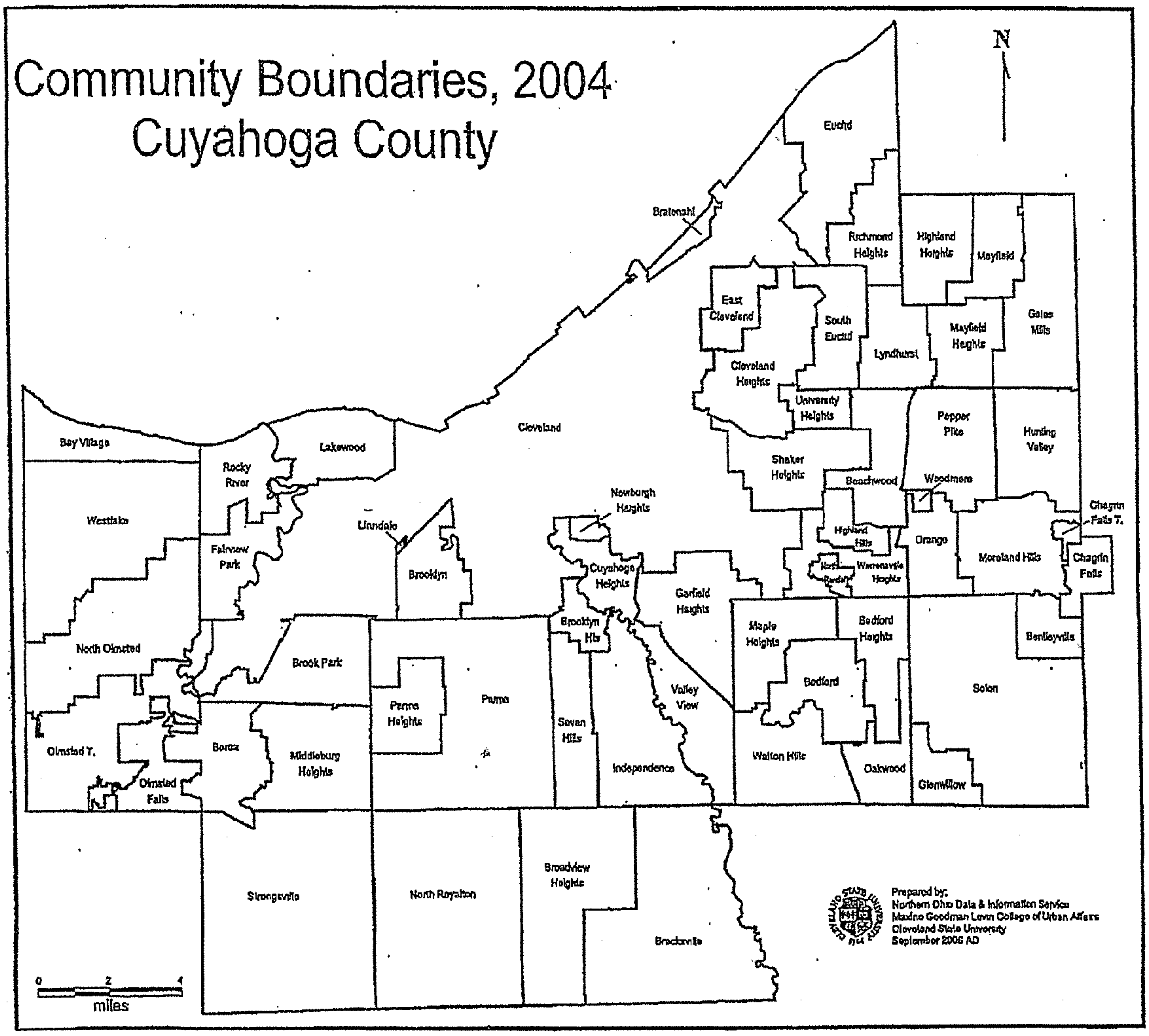
Michael J. Schipper
Deputy General Manager,
Engineering & Project Management

Floun’say Caver
Deputy General Manager,
Operations

Melinda Dangelo
Acting Director,
Procurement

Peter Anderson
CIO,
Executive Director – Information Technology

Cuyahoga County
Cleveland, Ohio



2017

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS AND NOTES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

Greater Cleveland Regional Transit Authority
Cuyahoga County
1240 West 6th Street
Cleveland, Ohio 44113

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio (the Authority), as of and for the years ended December 31, 2017 and 2016, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Cleveland Regional Transit Authority, Cuyahoga County as of December 31, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with the 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 this presentation to include *management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Authority's basic financial statements taken as a whole.

The introductory section and the statistical section information present additional analysis and are not a required part of the basic financial statements.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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.

Dave Yost
Auditor of State
Columbus, Ohio

June 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As the management team for the Greater Cleveland Regional Transit Authority (otherwise known as GCRTA or for the purpose of this report, the Authority), we offer readers of our basic financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2017 and December 31, 2016. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, as well as, activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Overview of Financial Highlights

- The Authority's net position decreased by $23.9 million (4.0%) in 2017 compared to 2016 due to the implementation of Government Accounting Standards Board (GASB) Statement number 68, "Accounting and Financial Reporting for Pensions," which is discussed in detail in Note 7 of the financial statements. Net position increased by $11.1 million (1.9%) in 2016 compared to 2015.

- Current assets decreased by $6.1 million (4.4%) in 2017 compared to 2016. This decrease is primarily due to a change in the Federal requirements effecting the calculation of Sales and Use Tax, by removing Medicaid Managed Health Care (MMHC) providers. Current assets increased by $44.3 million (47.1%) in 2016 compared to 2015.

- Current liabilities increased by $9.8 million (16.4%) in 2017 compared to 2016. Current liabilities increased by $.4 million (.7%) in 2016 compared to 2015.

- The Authority's non-current liabilities increased by $45.8 million (13.6%) in 2017 compared to 2016, as a result of the GASB 68 implementation discussed in detail in Note 7 of the financial statements. Non-current liabilities increased by $45.9 million (15.7%) in 2016 compared to 2015.

Basic Financial Statements and Presentation

The financial statements presented by the Authority are:

1. The Statements of Net Position
2. The Statements of Revenues, Expenses, and the Changes in Net position
3. The Statements of Cash Flows

These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority is structured as a single enterprise fund with revenues recognized when earned and measurable, not when they are received. Expenses are recognized when they are incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. Land is capitalized but is not depreciated.

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

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

The Statements of Cash Flows allow financial statement users to assess the Authority's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statements are classified into four categories:

1) Cash flows from operating activities
2) Cash flows from non-capital financing activities
3) Cash flows from capital and related financing activities
4) Cash flows from investing activities

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

The basic financial statements can be found beginning on page 31 of this report.

FINANCIAL ANALYSIS OF THE AUTHORITY

Condensed Summary of Assets and Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources, and Net Position (amounts in millions)

	December 31, 2017	December 31, 2016	December 31, 2015
Assets and Deferred Outflows of Resources:			
Current assets	$ 132.2	$ 138.3	$ 94.0
Other noncurrent assets	46.8	26.2	56.5
Capital assets (net of accumulated depreciation)	744.9	747.2	752.8
Total Assets	923.9	911.7	903.3
Deferred Outflows of Resources	94.5	77.4	32.9
Total Assets and Deferred Outflows of Resources:	1,018.4	989.1	936.2
Liabilities and Deferred Inflows of Resources:			
Current liabilities	69.5	59.7	59.3
Noncurrent liabilities	383.2	337.4	291.5
Total Liabilities	452.7	397.1	350.8
Deferred Inflows of Resources	1.3	3.7	8.2
Total Liabilities and Deferred Inflows of Resources:	454.0	400.8	359.0
Net position:			
Net Investment in Capital Assets	621.3	611.6	601.6
Restricted	21.4	42.8	50.7
Unrestricted	(78.3)	(66.1)	(75.1)
Total Net position	564.4	588.3	577.2
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,018.4	$ 989.1	$ 936.2

Net position serves as a useful indicator of financial position. The Authority's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $564.4 million as of December 31, 2017, which is a $23.9 million decrease from year ended December 31, 2016 (see Pension Note 7). Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $588.3 million for the year ended, December 31, 2016, which is an $11.1 million increase from year ended December 31, 2015.

Fiscal years 2017, 2016 and 2015 included the effects of adopting GASB Statement 68 "Accounting and Financial Reporting for Pensions," which significantly revised accounting for pension costs and liabilities previously reported under GASB Statement 27. 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 of resources and net pension liability, and subtracting deferred outflows of resources related to net position.

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

Under the new standards required by GASB 68, the net pension liability equals the 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 the 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 systems *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 investment affect the balance of the net pension liability, but are outside the control of the Authority. In the event 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.

In accordance with GASB 68, the Authority's statements prepared on an accrual basis includes their proportionate share of net pension assets, net pension liability, deferred inflows and outflows of resources adjusted for Authority's contributions subsequent to measurement dates and amortization of changes in proportion and changes in expected versus actual performance of pension fund investments in applying the accrual basis of accounting.

Condensed Summary of Revenues, Expenses, and Changes in Net Position
(amounts in millions)

Description

	Years Ended December 31, 2017	2016	2015
Operating revenues:			
Passenger fares	$ 46.4	$ 46.8	$ 47.2
Advertising and concessions	2.0	1.8	1.6
Total operating revenues	48.4	48.6	48.8
Operating expenses, excluding depreciation:			
Labor and fringe benefits	(226.2)	(197.1)	(181.3)
Materials and supplies	(26.2)	(27.8)	(31.4)
Services	(14.8)	(13.9)	(17.0)
Utilities	(7.4)	(7.3)	(7.3)
Casualty and liability	(4.5)	(5.3)	(1.5)
Purchased transportation	(8.3)	(8.4)	(7.9)
Leases and rentals	(0.5)	(0.3)	(0.3)
Taxes	(0.5)	(1.4)	(1.8)
Miscellaneous	(3.9)	(1.2)	(1.5)
Total operating expenses before depreciation	(292.3)	(262.7)	(250.0)
Depreciation expense	(49.9)	(47.8)	(47.3)
Total operating expenses	(342.2)	(310.5)	(297.3)
Operating loss	(293.8)	(261.9)	(248.5)
Non-operating revenues (expenses):			
Sales and use tax revenue	217.1	221.9	206.1
Federal operating grants and reimbursements	16.1	16.9	14.0
State/local operating grants and reimbursements	1.9	1.1	2.2
Federal pass-through grants revenue	0.1	0.1	0.1
Federal pass-through expenses	(0.1)	(0.1)	(0.1)
Investment income	0.6	0.5	0.3
Interest expense	(4.9)	(6.0)	(6.4)
Other income	1.8	7.4	4.7
Total non-operating revenues	232.6	241.8	220.9
Net loss before capital grant revenue	(61.2)	(20.1)	(27.6)
Capital grants revenue:			
Federal	37.2	31.1	64.6
State	0.1	0.1	0.1
Total capital grants revenue	37.3	31.2	64.7
Increase/(Decrease) in net position	(23.9)	11.1	37.1
Net position, beginning of year	588.3	577.2	646.7
Cumulative effect of change in accounting principle (see Note 2)			(106.6)
Net position, end of year	$ 564.4	$ 588.3	$ 577.2

FINANCIAL OPERATING RESULTS

Revenues

Passenger Fares – Farebox receipts and special transit fares are included within this caption. Passenger fare revenue for the year ended December 31, 2017 decreased by $.4 million (.9%) compared with that from year ended December 31, 2016. This decrease is attributed to a decline in ridership resulting from lower gasoline prices during 2017. Total ridership declined from 43.8 million in the year ended December 31, 2016 to 39.6 million in the year ended December 31, 2017.

Passenger fare revenue for the year ended December 31, 2016 decreased by $.4 million (.8%) compared with that from year ended December 31, 2015. This decrease is a result of the decline in ridership resulting from lower gasoline prices in the area which led to a decrease in total ridership from 47 million in the year ended December 31, 2015 to 43.8 million in the year ended December 31, 2016.

Sales and Use Tax – The dedicated 1% tax levied in Cuyahoga County is part of the 8.00% overall tax on retail sales. Sales and use tax revenue accounted for 75.9% of the Authority's revenue for year ended December 31, 2017. Sales and use tax revenue accounted for 74.8% of the Authority's revenue for year ended December 31, 2016, and for 74.7% for year ended December 31, 2015.

Revenue received from sales and use tax for the year ended December 31, 2017 decreased approximately $4.8 million (2.1%) compared to $15.7 million (7.6%) increase in the year ended December 31, 2016 from the year ended December 31, 2015. The decrease was a result of a change in the Federal requirements effecting the calculation of Sales and Use Tax, by removing Medicaid Managed Health Care (MMHC) providers.

Federal Operating Grants and Reimbursements – The Authority receives preventive maintenance reimbursement funds to cover the costs of certain inventory purchases and maintenance costs incurred. For the years ended December 31, 2017, 2016 and 2015, the Authority received approximately $ 16 million, $17 million, and $14 million respectively.

State/Local Operating Grants and Reimbursements – The Ohio Department of Transportation (ODOT) allocates grants for operating assistance and elderly and handicapped programs. This category also includes reimbursement for state fuel taxes paid by the Authority. In the year ended December 31, 2017, the Authority received $1.9 million in this category, a (72.7%) increase from the year ended December 31, 2016. In the year ended December 31, 2016, the Authority received $1.1 million in this category, a (50.0%) decrease from the year ended December 31, 2015.

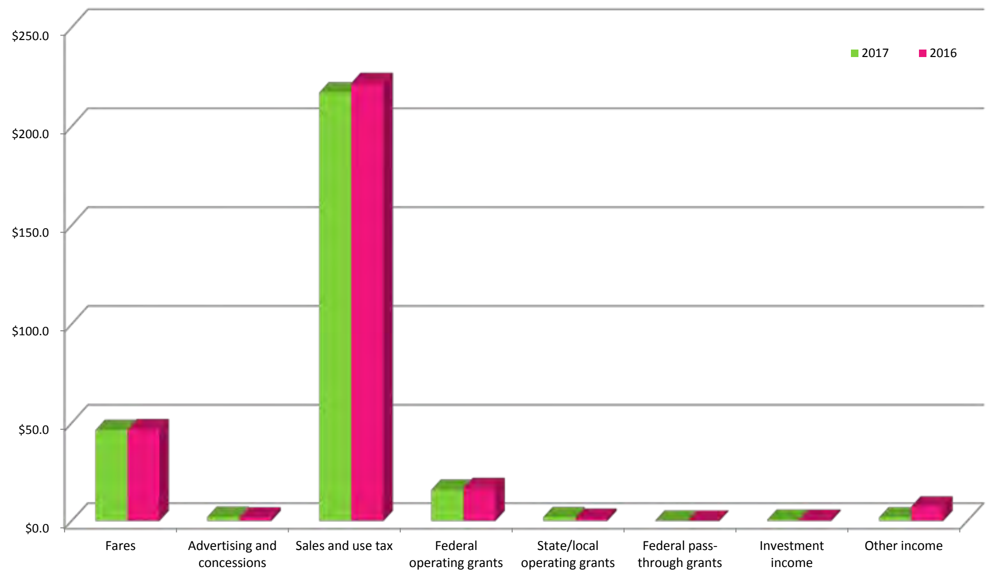
Investment Income – Investment income increased by $85,757 (15.5%) in year ended December 31, 2017, compared to an increase of $265,400 (91.8%) in the year ended December 31, 2016. This increase was attributed to more investments and higher investment rates.

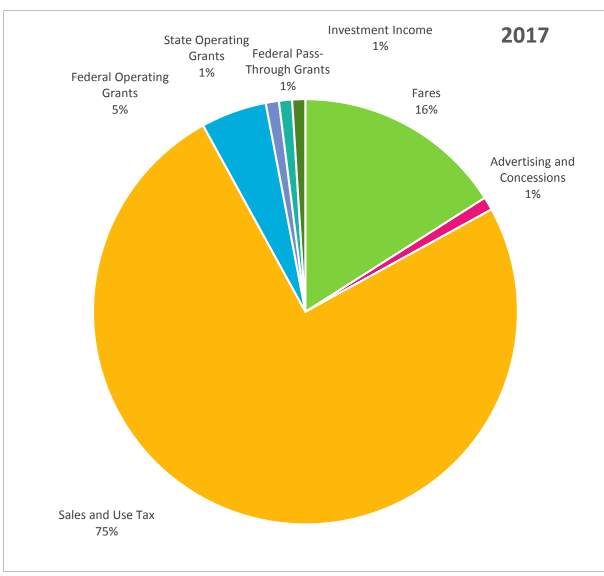
Other Income – Other income decreased by $5,627,956 in the year ended December 31, 2017, compared to an increase of $2,743,668 in the year ended December 31, 2016.

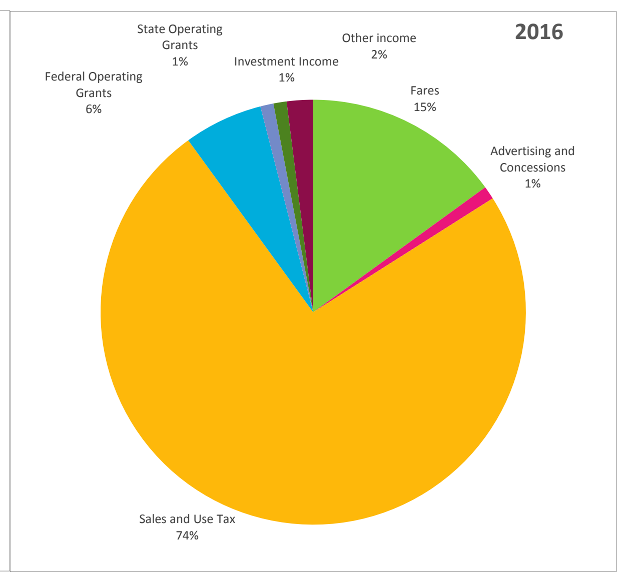
Revenue

Millions of Dollars

	2017	2016	Increase/(Decrease) Amount	Percent
Fares	$46.4	$46.8	($0.4)	(0.9) %
Advertising and concessions	2.1	1.8	0.3	16.7
Sales and use tax	217.1	221.9	(4.8)	(2.2)
Federal operating grants	16.1	17.0	(0.9)	(5.3)
State/local operating grants	1.9	1.1	0.8	72.7
Federal pass-through grants	0.1	0.1	-	-
Investment income	0.6	0.6	-	-
Other income	1.8	7.4	(5.6)	(75.7)
Total	**$286.1**	**$296.7**	**($10.6)**	**(3.6)** %







Expenses

Labor and Fringe Benefits: The personnel and related costs increased by $29.1 million (14.7%) in the year ended December 31, 2017, compared to that of the year ended December 31, 2016. During 2017, the number of personnel (FTE's) increased to 2,196, compared to 2,161 for the year ended December 31, 2016. The personnel and related costs increased by $15.7 million (8.7%) in the year ended December 31, 2016, compared to that of the year ended December 31, 2015. During 2016, the number of personnel (FTE's) increased to 2,161, compared to 2,128 for the year ended December 31, 2015, which offset the cost of providing health care benefits.

Materials and Supplies: The costs in this category decreased by $1.6 million (5.8%) in the year ended December 31, 2017, compared to the year ended December 31, 2016. The decline is a result of our shift to using more CNG buses. Additionally, diesel fuel costs have been stabilized through the Energy Price Risk Management Program. The costs in this category decreased by $3.6 million (11.7%) in the year ended December 31, 2016, compared to the year ended December 31, 2015.

Services: The costs in this category increased by $.9 million (6.5%) in the year December 31, 2017, compared to the year ended December 31, 2016. The increase is due to increased costs for various maintenance contracts. The costs in this category decreased by $3.1 million (18.5%) in the year December 31, 2016, compared to the year ended December 31, 2015. The decrease was due to decreased costs for workers' compensation administration and maintenance contracts.

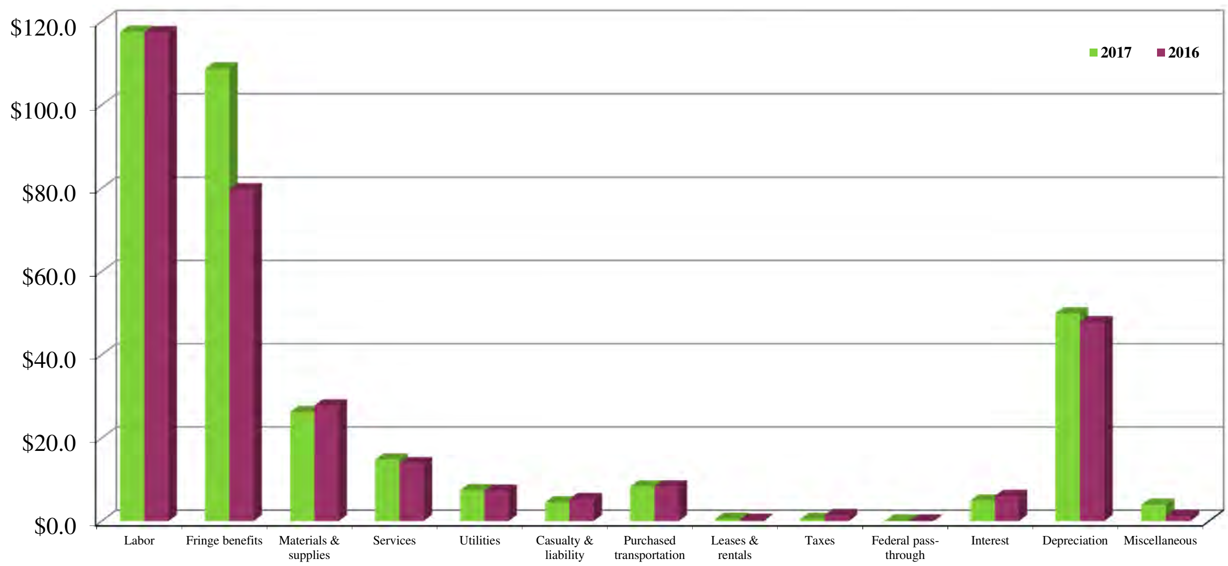
Casualty and Liability: These costs decreased by $.8 million (15.1%) for year ended December 31, 2017 compared to the year ended December 31, 2016, which was due to lower claims in 2017 versus 2016. These costs increased by $3.8 million (245.8%) in 2016 compared to 2015. Casualty and liability claims are recorded based on actuarial studies performed for 2017, 2016 and 2015.

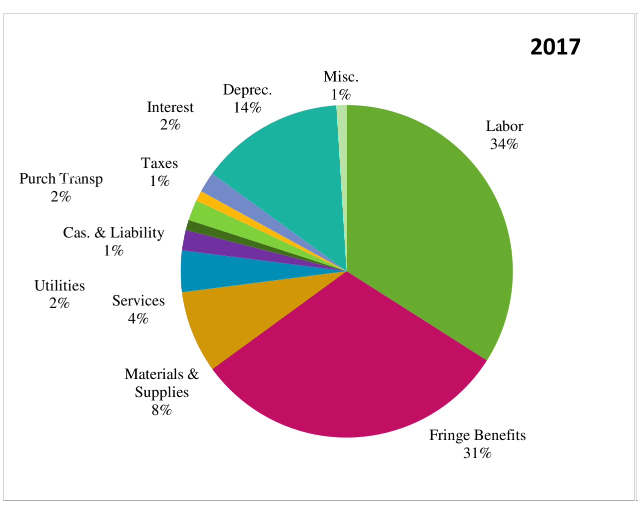
Miscellaneous Expense: These costs increased by $2.7 million (225.0%) for the year December 31, 2017, compared to the year ended December 31, 2016, which was due to an analysis of our receivables, resulting in the use of a conservative approach for booking bad debt. The costs in this category decreased by $.3 million (20.0%) in 2016 as compared to 2015.

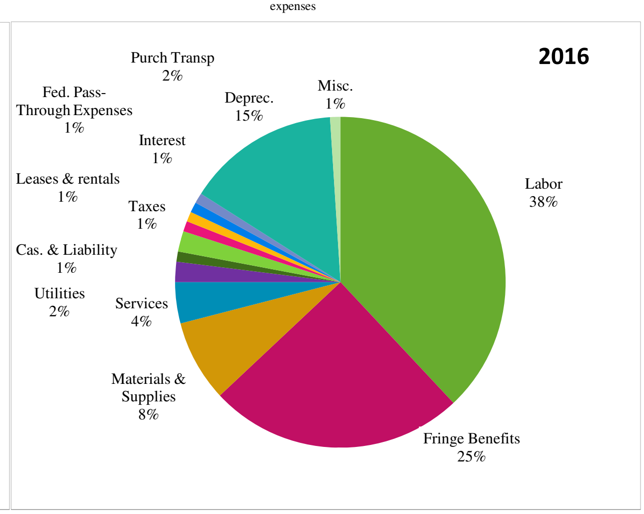
Expenses by Object Class

Millions of Dollars

	2017	2016	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Labor	$117.5	$117.4	$0.1	0.1 %
Fringe benefits	108.7	79.7	29.0	36.4
Materials & supplies	26.2	27.8	(1.6)	(5.8)
Services	14.8	13.9	0.9	6.5
Utilities	7.4	7.3	0.1	1.4
Casualty & liability	4.5	5.3	(0.8)	(15.1)
Purchased transportation	8.3	8.3	-	-
Leases & rentals	0.5	0.3	0.2	66.7
Taxes	0.5	1.4	(0.9)	(64.3)
Federal pass-through expenses	0.1	0.1	-	-
Interest	4.9	6.0	(1.1)	(18.3)
Depreciation	49.9	47.8	2.1	4.4
Miscellaneous	3.9	1.2	2.7	225.0
Total	**$347.2**	**$316.5**	**$30.7**	**9.7 %**

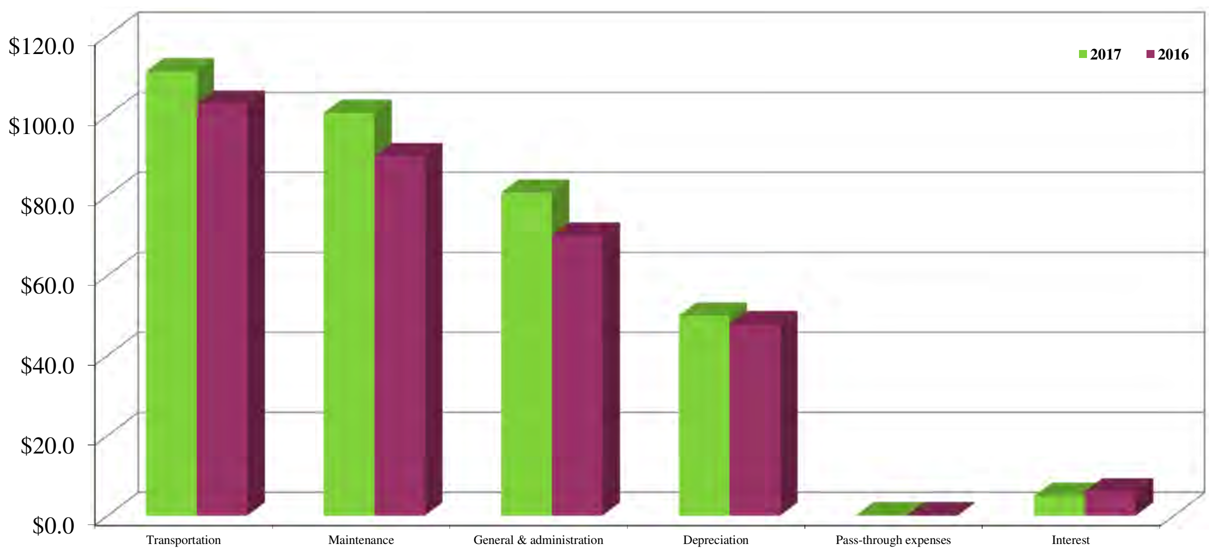


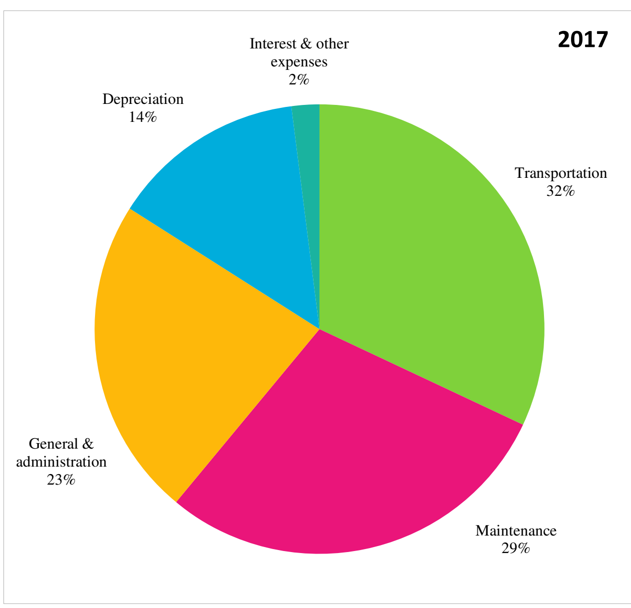


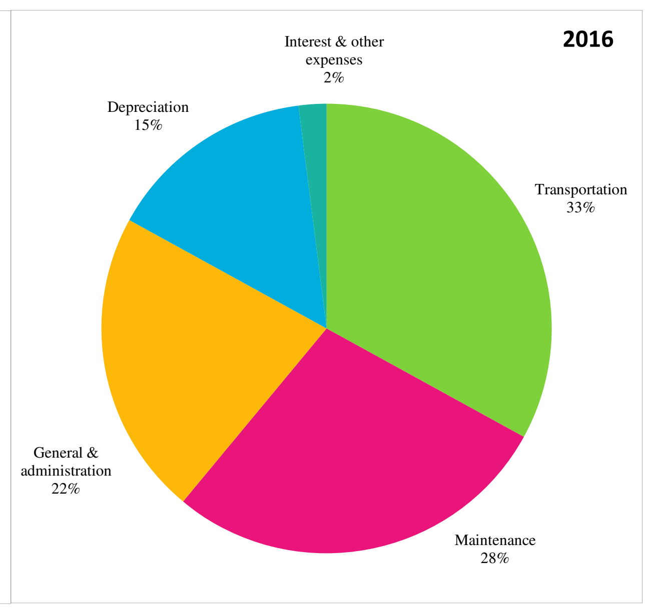


Expenses by Function
Millions of Dollars

	2017	2016	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Transportation	$111.0	$102.9	$8.1	7.9 %
Maintenance	100.6	89.8	10.8	12.0
General & administration	80.7	69.9	10.8	15.5
Depreciation	49.9	47.8	2.1	4.4
Pass-through expenses	0.1	0.1	-	-
Interest	4.9	6.0	(1.1)	(18.3)
Total	**$347.2**	**$316.5**	**$30.7**	**9.7 %**







CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The largest portion of the Authority's net position reflect investment in capital assets, (buses, rail cars, right-of-way, and operating facilities), net of accumulated depreciation and minus any related debt used to acquire those assets. These capital assets are used by the Authority to provide public transportation services for the citizens of Cuyahoga County.

During 2017, major construction projects totaling $25.2 million were completed and transferred to the appropriate property and facilities accounts. Major projects during 2017 included the Brookpark Transit Station project with a cost of $14.2 million, the Track 7 Reconstruction project with a cost of $7.9 million, and the Lee-Shaker Rapid Station project with a cost of $1.9 million.

The construction in progress balance at December 31, 2017 included costs associated with a portion of the following;

1.) East 34th Station Reconstruction (ADA) project
2.) Paratransit Bus Replacement Program project
3.) Various other projects

During 2016, major construction projects totaling $14.9 million were completed and transferred to the appropriate property and facilities accounts. Major projects during 2016 included the CNG Heavy Maintenance Infrastructure project with a cost of $2.4 million, and the cost for trolley buses purchased and placed in service for $12.5 million.

The construction in progress balance at December 31, 2016 included costs associated with a portion of the following;

1.) Brookpark Red Line Rapid Station
2.) Bus Replacement project
3.) Various other projects

Readers desiring more detailed information on the Authority's capital assets related activities should read Note 5 - Capital Assets on page 47, which is included in the notes to the basic financial statements.

Debt Administration

The Authority has sold unvoted general obligation (capital improvement) bonds to partially finance the purchase and construction of various capital assets. Payment of debt service on the outstanding unvoted general obligation bonds of the Authority is secured by a pledge of all revenues of the Authority, except those specifically limited to another use or prohibited from that use by the Ohio Constitution (state or federal law, or any revenue bond trust agreement that the Authority might execute). In practice, debt service has been paid from the receipts of the Authority's sales and use tax. Subject to the approval of the County Budget Commission, the debt service can also be paid, in the event it is not paid from other sources, from the proceeds of the levy by the Authority of ad valorem taxes within the ten-mill limitation provided by Ohio law. The Authority can also, with the approval of the voters within the territory of the Authority, issue general obligation bonds that, unless paid from other sources, are payable from the proceeds of the levy by the Authority of ad valorem taxes that are outside that ten-mill limitation.

On May 3, 2016, the Authority issued $15,410,000 of sales tax supported refunding bonds to partially refund the 2012 bond. The bonds bear interest rates from 2% to 5% per annum, and mature in various installments through December 1, 2031.

On March 17, 2015 the Authority issued $51,425,000 of sales tax supported capital improvement and refunding bonds. $21.4 million of these bonds were used to do a partial refunding of the 2008A outstanding debt and also to prepay the 2007 Master Tax Exempt lease. $30 million was issued to finance current and future capital improvement projects. The bonds bear interest rates ranging from 2% to 5% per annum, and mature in various installments through December 1, 2034.

On April 16, 2014, the Authority issued $29,700,000 of sales tax supported capital improvement and refunding bonds. These bonds were used to do a partial refunding of the 2004 and 2006 outstanding debt. The bonds bear interest at rates ranging from 1% to 5% per annum, and mature in various installments through December 1, 2025.

On June 7, 2012, the Authority issued $42,390,000 of sales tax supported refunding bonds. Of the $42,390,000, $25,000,000 was issued to finance current and future capital improvement projects and the remainder for the advance refunding of the 2004 debt. The bonds bear interest at rates ranging from 1.5% to 5.25% per annum, and mature in various installments though December 1, 2031.

On February 20, 2008, the Authority issued $35,000,000 of general obligation capital improvement bonds for the purpose of financing current and future capital improvement projects. The bonds bear interest at a rate ranging from 3.0% to 4.68% per annum, and mature in various installments through December 1, 2027.

The Authority had $2.0 million of outstanding capital improvement bonds as of December 31, 2017, of which is callable. The Authority general obligation debt is rated ‘Aa2’ by Moody’s Investors Service, Inc. and ‘AAA’ by Standard & Poor’s. The sales tax revenue bonds were rated AAA by S&P and Aa1 by Moody’s Investors Service, Inc.

For more information, see Note 6 on page 49 of this report.

Total outstanding bonds payable as of December 31, 2017 include:

Series	Issue Date	Maturity Date		Original Principal		December 31, 2017 Balance	Average Interest Rate
General Obligation Improvement Bonds							
2008	02/20/08	12/01/2027	$	35,000,000	$	1,995,000	4.57%
Total General Obligation Bonds						1,995,000	
Sales Tax Supported and Refunding Bonds							
Series 2012	05/31/12	12/1/2031	$	42,390,000		19,555,000	5.01%
Series 2014A	04/16/14	12/1/2025	$	13,360,000		13,360,000	4.50%
Series 2014B	04/16/14	12/1/2020	$	16,340,000		10,055,000	1.51%
Series 2015	04/16/15	12/1/2031	$	51,425,000		48,420,000	4.78%
Series 2016	03/17/16	12/1/3034	$	15,410,000		15,030,000	4.92%
Total Sales Tax Supported Bonds						106,420,000	
Premium						18,461,963	
Total Bonds Payable					$	126,876,963	

Total outstanding bonds payable as of December 31, 2016 include:

Series	Issue Date	Maturity Date		Original Principal	December 31, 2016 Balance	Average Interest Rate
General Obligation Improvement Bonds						
2004	11/16/04	12/01/2024	$	67,235,000	$ 0	4.23%
2006	03/07/06	12/01/2025	$	38,490,000	0	4.51%
2008	02/20/08	12/01/2027	$	35,000,000	3,910,000	4.57%
General Obligation Improvement Refunding Bonds						
Series 2008B (12/1/2008	Annually through 12/1/2016)		$	27,390,000	0	4.01%
Total General Obligation Bonds					3,910,000	
Sales Tax Supported and Refunding Bonds						
Series 2012	05/31/12	12/1/2031	$	42,390,000	22,550,000	5.01%
Series 2014A	04/16/14	12/1/2025	$	13,360,000	13,360,000	4.50%
Series 2014B	04/16/14	12/1/2020	$	16,340,000	15,740,000	1.51%
Series 2015	04/16/15	12/1/2031	$	51,425,000	49,430,000	4.78%
Series 2016	03/17/16	12/1/3034	$	15,410,000	15,040,000	4.92%
Total Sales Tax Supported Bonds					116,120,000	
Premium					20,293,087	
Total Bonds Payable					$ 140,323,087	

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for those with an interest in the finances of the Authority. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Deputy General Manager of Finance & Administration, Greater Cleveland Regional Transit Authority, 1240 W. 6th Street, Cleveland, Ohio 44113.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Net Position

As of December 31, 2017 and 2016

Assets and Deferred Outflows of Resources	**2017**	**2016**
Current Assets:		
Cash and cash equivalents	$ 2,805,697	$ 26,689,042
Investments	25,196,190	2,984,850
Restricted for capital assets:		
Cash and cash equivalents	1,592,861	8,293,947
Investments	18,500,931	14,913,783
Restricted for debt service:		
Cash and cash equivalents	2,294,673	2,107,201
Receivables:		
Sales & use tax	50,849,970	57,454,824
Trade & accrued interest (net of allowances)	5,589,683	4,855,241
Naming rights - current portion	631,219	252,007
State capital assistance	1,004,038	433,200
Federal capital assistance	7,363,105	4,519,814
Material & supplies inventory	14,380,100	13,361,530
Deposits & Other Assets	1,954,606	2,408,680
Total current assets	132,163,073	138,274,119
Non-current Assets:		
Restricted for capital assets:		
Investments	6,437,170	11,448,205
Investments	34,550,076	8,752,714
Naming Rights	5,510,224	5,144,432
Commodity swap transactions		884,066
Net Pension Asset - OPERS	345,911	
Total non-current assets	46,843,381	26,229,417
Capital assets:		
Land	37,514,566	37,813,005
Infrastructure	65,653,697	63,461,761
Right-of-ways	314,758,818	309,453,871
Buildings, improvments, furniture & fixtures	578,819,400	548,210,603
Transportation & other equipment	501,861,700	486,818,134
Bus rapid transit	163,605,174	163,516,360
Construction in progress	61,414,598	74,818,510
Total capital assets	1,723,627,953	1,684,092,244
Less: Accumulated depreciation	(978,663,080)	(936,885,123)
Capital assets - net	744,964,873	747,207,121
Total non-current assets and capital assets	791,808,254	773,436,538
Total Assets	923,971,327	911,710,657
Deferred Outflows of Resources:		
Deferred Outflows of Resources - Refunding	3,252,058	4,796,510
Deferred Outflows of Resources - Pension	91,202,849	72,581,048
Total Deferred Outflows of Resources	94,454,907	77,377,558
Total Assets and Deferred Outflows of Resources	$ 1,018,426,234	$ 989,088,215

The accompanying notes are an integral part of these financial statements

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Net Position

(Continued)

As of December 31, 2017 and 2016

Total Liabilities, Deferred Inflows of Resources, and Net Position	**2017**	**2016**
Current liabilities:		
Accounts payable	$ 10,274,499	$ 10,031,709
Contracts & other payables	8,980,906	5,678,967
Contract retainers	1,060,179	1,474,087
Interest payable - bonds	414,578	441,834
Accrued wages & benefits	15,209,039	12,775,093
Current portion - compensated absences	4,072,746	3,889,028
Current portion - long-term debt	11,945,000	11,615,000
Current portion - self-insurance liabilities	11,677,692	9,117,620
Current portion - unearned revenue	5,871,170	4,672,442
Total current liabilities	69,505,809	59,695,780
Non-current liabilities		
Compensated absences	7,189,840	7,841,040
Long term debt	114,931,963	128,708,087
Self-insurance liabilities	10,899,850	10,899,200
Net Pension Liability - OPERS	242,327,530	183,835,495
Unearned revenue	5,510,224	5,144,432
Commodity swap transactions	1,159,494	
Other Long Term Liabilities	1,240,215	995,656
Total non-current liabilities	383,259,116	337,423,910
Total liabilities	452,764,925	397,119,690
Deferred Inflows of Resources :		
Deferred Inflows of Resources - Pension	1,271,635	3,698,913
Total Deferred Inflows of Resources	1,271,635	3,698,913
Total Liability and Deferred Inflows of Resources	454,036,560	400,818,603
Net Position		
Net Investment in Capital Assets	621,339,969	611,606,251
Restricted for Capital Projects	19,513,603	19,371,206
Restricted for Debt Service	1,879,942	23,387,811
Unrestricted	(78,343,840)	(66,095,656)
Total net position	564,389,674	588,269,612
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 1,018,426,234	$ 989,088,215

The accompanying notes are an integral part of these financial statements

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31, 2017 and 2016

	2017	2016
Operating revenues:		
Passenger fares	$ 46,350,098	$ 46,775,852
Advertising and concessions	2,068,493	1,781,662
Total operating revenues	48,418,591	48,557,514
Operating expenses, excluding depreciation:		
Labor and fringe benefits	226,209,347	197,088,425
Materials and supplies	26,207,179	27,772,958
Services	14,824,091	13,875,065
Utilities	7,374,510	7,255,805
Casualty and liability	4,506,843	5,290,079
Purchased transportation	8,290,645	8,376,765
Leases and rentals	452,757	340,154
Taxes	471,707	1,361,202
Miscellaneous	3,860,742	1,274,675
Total operating expenses before depreciation	292,197,821	262,635,128
Depreciation expense	49,933,308	47,834,068
Total operating expenses	342,131,129	310,469,196
Operating loss	(293,712,538)	(261,911,682)
Non-operating revenues (expenses):		
Sales and use tax revenue	217,147,375	221,850,278
Federal operating grants and reimbursements	16,058,097	16,967,886
State/local operating grants and reimbursements	1,912,237	1,069,882
Federal pass-through grants revenue	144,508	91,275
Federal pass-through expense	(144,508)	(91,275)
Investment income	640,259	554,502
Interest expense	(4,988,073)	(6,027,777)
Other income	1,784,194	7,412,150
Total non-operating income	232,554,089	241,826,921
Net loss before capital grant revenue	(61,158,449)	(20,084,761)
Capital grants revenue:		
Federal	37,262,011	31,135,823
State	16,500	43,902
Total capital grants revenue	37,278,511	31,179,725
Increase/(Decrease) in net position	(23,879,938)	11,094,964
Net position, beginning of year	588,269,612	577,174,648
Net position, end of year	$ 564,389,674	$ 588,269,612

The accompanying notes are an integral part of these financial statements

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

For the years ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Cash received from customers	$ 48,768,993	$ 48,907,786
Cash payments to suppliers for goods and services	(59,515,218)	(53,999,870)
Cash payments to employees for services and payroll taxes	(133,720,199)	(134,554,416)
Cash payments for employee benefits	(90,522,684)	(58,041,545)
Cash payments for casualty and liability	(1,946,121)	(6,877,033)
Other receipts	1,784,194	7,412,150
Net cash used in operating activities	(235,151,035)	(197,152,928)
Cash flows from noncapital financing activities:		
Sales and use taxes received	223,752,229	218,749,850
Grants, reimbursements, and special fare assistance:		
Federal	13,214,806	18,608,219
State and local	1,341,399	1,796,856
Net cash provided by noncapital financing activities	238,308,434	239,154,925
Cash flows from capital and related financing activities:		
Federal capital grant revenue	37,406,519	31,227,098
State capital grant revenue	16,500	43,901
Acquisition and construction of capital assets	(41,033,573)	(37,705,664)
Proceeds from new debt	-	15,410,000
Principal paid on bonds payable and other debt	(11,615,000)	(32,260,000)
Interest paid on bonds and other debt	(5,302,001)	(9,668,453)
Net cash used in capital and related financing activities	(20,527,555)	(32,953,118)
Cash flows from investing activities:		
Purchases of investments	(59,205,659)	(40,910,608)
Proceeds from maturities of investments	45,538,597	53,794,567
Interest received from investments	640,259	554,502
Net cash provided/(used) by investing activities	(13,026,803)	13,438,461
Net increase/(decrease) in cash and cash equivalents	(30,396,959)	22,487,340
Cash and cash equivalents, beginning of year	37,090,190	14,602,850
Cash and cash equivalents, end of year	$ 6,693,231	$ 37,090,190
Supplemental cash flows disclosures:		
Noncash investing and capital and related financing activities:		
Decrease in fair value of investments	$ (412,990)	$ (124,480)
Decrease in long-term debt due to deferred refunding costs, premium, and amortization.	$ 1,831,124	$ 2,945,927

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

(Continued)

For the years ended December 31, 2017 and 2016

	2017	2016
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (293,712,538)	$ (261,911,682)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	49,933,308	47,834,068
Other receipts classified as non operating income	1,784,194	7,412,150
Change in current assets and liabilities:		
(Increase) in other receivables	(734,442)	(2,136,077)
(Increase)/decrease in naming rights receivable	(745,004)	747,901
(Increase) in deposits and cash equivalents	(15,733,752)	(40,953,973)
Increase in unearned revenue	1,198,728	2,336,980
(Increase) in materials and supplies inventory	(1,018,540)	(723,842)
Increase in accounts payable, pension, accrued compensation, self-insurance liabilities and other	23,877,011	50,241,547
Net cash used in operating activities	$ (235,151,035)	$ (197,152,928)

See accompanying notes to financial statements.

1. DESCRIPTION OF AUTHORITY OPERATIONS AND DEFINITION OF THE ENTITY

A) **The Authority** – The Greater Cleveland Regional Transit Authority (the Authority or GCRTA) is an independent, special purpose political subdivision of the State of Ohio (the State) with powers derived from Sections 306.30 through 306.71 of the Ohio Revised Code. The Authority has territorial boundaries and jurisdiction coextensive with the territorial boundaries of Cuyahoga County (the County). As a political subdivision, it is distinct from, and is not an agency of, the State and the County or any other local governmental unit. The Authority was created on December 30, 1974, by ordinance of the Council of the City of Cleveland and by resolution of the Board of County Commissioners of Cuyahoga County, and became operational on September 5, 1975.

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, at the rate of 0.25%, 0.5%, 1%, or 1.5% if approved by a majority of the electorate 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 and the County. On July 22, 1975, the voters of the County approved a 1% sales and use tax with no limit on its duration.

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 non-voted 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 have not been levied through 2017.

The Authority is managed by a ten-member Board of Trustees and provides directly, or under contract, virtually all mass transportation within the County.

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

B) **Reporting Entity** – "The Financial Reporting Entity," as defined by Statement No. 61 of the Governmental Accounting Standards Board (GASB), is comprised of the primary government and its component units. The primary government includes all departments and operations of the Authority, which are not legally separate organizations. Component units are legally separate organizations, which are fiscally dependent on the Authority or for which the Authority is financially accountable. An organization is fiscally dependent if it must receive the Authority's approval for its budget, the levying of taxes, or the issuance of debt. The Authority is financially accountable for an organization if it appoints a majority of the organization's board, and either a) has the ability to impose its will on the organization or b) there is the potential for the organization to provide a financial benefit to, or impose a financial burden on, the Authority. The reporting entity of the Authority consists solely of the primary government. There are no component units.

Under the guidelines of GASB Statement No. 61, the Authority is a jointly governed organization. Of its ten member board, four of the members are appointed by the Mayor of the City of Cleveland with the consent of City Council; three members, one of whom must reside in the City of Cleveland, are appointed by the Cuyahoga County Council; the remaining three members are elected by an association of suburban mayors, city managers, and township trustees. None of the participating governments appoints a majority of the Authority's board and none has an ongoing financial interest or responsibility. None of the participating governments provided any significant financial transactions with the Authority during 2017 and 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to United States of America's generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the GASB and other recognized authoritative sources.

Basis of Accounting – The accounts of the Authority, which are organized as an enterprise fund, are used to account for the Authority's activities that are financed and operated in a manner similar to a private business enterprise. Accordingly, the Authority maintains its records on the accrual basis of accounting. Revenues from operations, investments, and other sources are recorded when earned. Expenses (including depreciation and amortization) of providing services to the public are recorded when incurred.

Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include sales tax revenue and grants. 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 expense requirements, in which the resources are provided to the Authority on a reimbursement basis.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments – Investments are reported at fair value based on quoted market prices or market prices provided by recognized broker dealers.

Materials and Supplies Inventory – Materials and supplies inventory are stated at the lower of average cost or fair value. Inventory generally consists of maintenance parts and supplies for rolling stock and other transportation equipment. In accordance with industry practice, all inventories are classified as current assets even though a portion of the inventories are not expected to be utilized within one year.

Capital Assets – The Authority defines capital assets as assets with an initial cost of at least $5,000 and an estimated useful life in excess of one year. Capital assets, which include property, facilities infrastructure, and equipment, are stated at historical cost. The cost of normal maintenance and repairs is charged to operations as incurred. Improvements and interest are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Description	Years
Infrastructure	45
Buildings and improvements	20-60
Road Improvements	45
Transportation and other equipment	5-15
Furniture and fixtures	3-15
Rolling stock	7-25

Restricted Assets – Restricted assets consist of monies and other resources, the use of which is legally restricted for capital acquisition and construction and any borrowing used for the acquisition, construction or improvement of assets.

Deferred Outflows of Resources - The Authority reports decreases in Net Position that relate to future periods as deferred outflows of resources in a separate section of its Statements of Net Position. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For the Authority, deferred outflows of resources include a deferred charge on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pensions are explained in Note 7.

Deferred Inflows of Resources - The Authority reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources includes pensions. This pension amount has been recorded as a deferred inflow on the statement of net position. The deferred inflows of resources related to pensions is explained in Note 7.

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

> Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those capital assets.
>
> Restricted Assets – This consists of constraints placed on net position use through external constraints imposed by grantors, contributors, or laws. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.
>
> Unrestricted – This consists of net position that does not meet the definition of "restricted" or "Net Investment in Capital Assets.

Due to the adoption of GASB 68, the beginning net position at January 1, 2015 was adjusted to reflect a cumulative effect due to the change in accounting principles.

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

Classification of Expenses – The Authority has classified its expenses as either operating or non-operating. Operating expenses include the cost of services, administrative expenses and depreciation expense on capital assets. All expenses not meeting this definition are reported as non-operating expenses.

Recognition of Revenue and Receivable – 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 receivable and revenues over the entitlement periods.

Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as grants receivable and non-operating revenues when the related capital expenses are incurred. Capital grants for the maintenance of property, plant and equipment are recorded as grants receivable and non-operating revenues in the period operating expenses are incurred. Capital grants received in advance of project costs being incurred are reported as deferred inflows.

The Sales and Use Tax receivable is recorded in the month the vendor submits the tax to the State of Ohio. There is a three-month delay between the collection of the Sales and Use Tax to the State of Ohio and the remittance to the Authority.

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

Federal and State Operating and Preventive Maintenance Assistance Funds – Federal and state operating and preventive maintenance assistance funds to be received by the Authority under the Urban Mass Transportation Act of 1964, as amended, and under the Ohio Public Mass Transportation Grant Program are recorded and reflected as income in the period to which they are applicable.

Compensated Absences – The Authority accrues vacation benefits as earned by its employees. Unused vacation benefits are paid to the employees upon separation from service up to a maximum of 50 days. The sick leave liability includes employees who are currently eligible to receive termination benefits, based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified by the Authority's termination policies.

	2017	2016
Beginning Balance	$ 11,730,068	$ 10,034,232
Incurred	10,735,528	12,622,661
Payments	(11,203,010)	(10,926,825)
Balance, End of Year	$ 11,262,586	$ 11,730,068
Due Within One Year	$ 4,072,746	$ 3,889,028

Self-Insurance Liabilities and Expense – The Authority has a self-insurance program for third-party bodily injury liability, third-party property damage claims, and workers' compensation claims. For workers' compensation claims awarded, the Authority pays the same benefits as would be paid by the State of Ohio Bureau of Workers' Compensation.

These programs are administered by the Authority. Claims are accrued in the year the expenses are incurred, based upon the estimates of the claim liabilities made by management, legal counsel of the Authority, and actuaries. Permanent total disability claims are discounted at an annual rate of 2%. Also provided for are estimates of claims incurred during the year but not yet reported.

Claims expense is accrued in the period the incidents of loss occur, based upon estimates of liability made by management with the assistance of third-party administrators, legal counsel, and actuaries.

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

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

Changes in Accounting Principles

For fiscal year 2017, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 72 provides guidance on reporting issues as it relates to fair value measurements. This Statement provides direction for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. The provisions in Statement 72 were incorporated for the Authority during fiscal year 2016; however, there was no effect on beginning net position.

Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68. The provisions in Statement 73 were incorporated for the Authority during fiscal year 2016 and did not result in any changes to the Authority's financial statements.

Statement No.74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 80, *Blending Requirements for Certain Component Units*.

Statement No. 74 enhances the usefulness of information about post-employment benefits other than pensions for making decisions and assessing accountability. The implementation of this GASB pronouncement did not result in any changes to the Authority's financial statements or disclosures.

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, improves information provided by state and local government employers about financial support for other post-employment benefits. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. The Authority has not determined the impact that this Statement will have on its financial statements and disclosures.

The Authority Implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the Authority's fiscal year 2017 financial statements; however, there was no effect on beginning net position.

Statement No. 76 identifies in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The implementation of this Statement became effective for the Authority during fiscal year 2016 and did not result in any changes to the Authority's financial statements.

Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. The implementation of this GASB pronouncement did not result in any changes to the Authority's financial statements or disclosures.

Statement No. 80 clarifies the financial statement presentation requirements for certain component units. The implementation of this GASB pronouncement did not result in any changes to the Authority's financial statements or disclosures.

Statement No. 82, an amendment of GASB Statement No. 67, No 68 and No. 73 improves consistency in the application of pension accounting and provides clarification on "covered payroll". These changes were incorporated in the Authority's financial statements

In fiscal year 2016, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application, GASB Statement no. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Government, and GASB No. 73, Accounting and Financial Reporting for Pensions and related assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

As a result of implementing GASB 68, the Authority restated its net position for the fiscal year ended December 31, 2015. This change resulted in a reduction of net position of $106,607,941 as follows:

Net Position December 31, 2014 - as previously stated	$	646,713,009
Adjustments:		
Pension Deferred Outflow-Payments made in 2014		15,564,981
Net Pension Liability - (See Note 7)		(122,172,922)
Cumulative effect due to change in Accounting Principle		(106,607,941)
Net Position December 31, 2014 - restated	$	540,105,068

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following is a listing of deposits and investments held by the Authority at December 31, 2017 and 2016:

	2017		2016	
Demand deposits	$	6,510,081	$	36,904,940
Cash on hand		183,150		185,250
Investments		84,684,367		38,099,552
Total	$	91,377,598	$	75,189,742
Bank balance	$	8,489,590	$	38,353,639

The deposits and investments of the Authority at December 31, 2017 and 2016 are reflected in the financial statements as follows:

	2017		2016	
Current Assets:				
Cash and cash equivalents	$	2,805,697	$	26,689,042
Investments		25,196,190		2,984,850
Restricted Assets:				
Cash and cash equivalents		3,887,534		10,401,148
Investments		18,500,931		14,913,783
Noncurrent Assets:				
Investments - Restricted for capital assets		6,437,170		11,448,205
Investments		34,550,076		8,752,714
Total deposits and investments	$	91,377,598	$	75,189,742

The deposits and investments of the Authority are governed by the provisions of the Bylaws of the Authority and the Oho Revised Code. In accordance with these provisions, only banks located in Ohio and domestic savings and loan associations are eligible to hold public deposits. The provisions also permit the Authority to invest its monies in certificates of deposit, savings accounts, money market accounts, the state treasurer's investment pool (STAR Ohio), and obligations of the United States government or certain agencies thereof. The STAR OHIO maintains a stable net asset value per share by using the amortized cost method of portfolio valuation. STAR OHIO has established procedures to stabilize the net value per share, as computed for the purpose of purchase and redemption, at a single value of $1.00. The Authority may also enter into repurchase agreements with any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding 30 days.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned by the bank. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities, the face value of which is at least 105% of the total value of public monies on deposit at the institution. Such collateral, as permitted by the Ohio Revised Code, is held in single 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 at the Federal Reserve Bank.

For fiscal year ended December 31, 2017, $750,000 of the total bank balances of $8,489,590 were covered by federal depository insurance. The remaining balance of $ $7,739,590 was covered by pledged securities and were held by the financial institutions trust department or agent in the name of the Authority.

For fiscal year ended December 31, 2016, $500,000 of the total bank balances of $38,353,639 were covered by federal depository insurance. The remaining balance of $37,853,639 was covered by pledged securities and were held by the financial institutions trust department or agent in the name of the Authority.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset, or index, or both; separate from the financial instrument contract or obligation itself (commonly known as a "derivative"). The Authority is also prohibited from investing in reverse repurchase agreements. 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. The fair value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. As of December 31, 2017 and 2016, the Authority has no investments dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the qualified trustee.

Interest Rate Risk

Interest rate risk is the risk that, over time, the value of investments will decrease as a result of a rise in interest rates. The Authority's policy minimizes interest rate risk by requiring that all funds attempt to match its investments with anticipated cash flow requirements. Unless related to a specific cash flow, the Authority is generally not permitted to directly invest in securities maturing more than 3 years from original date of purchase according to the Authority's investment policy although the Ohio Revised Code allows up to 5 years.

As of December 31, 2017, the Authority's investment maturities were as follows:

		Remaining Maturity (in months) as of December 31, 2017		
Investment Type	Total Amount	12 Months or Less	12 to 24 Months	24 to 60 Months
Federal Farm Credit Bank	$ 8,449,320			$ 8,449,320
Federal National Mortgage Association	18,813,060	$ 1,989,120	$ 8,887,960	7,935,980
Federal Home Loan Mortgage Corporation	18,409,358	4,674,132	989,520	12,745,706
Federal Home Loan Bank	5,795,202	3,816,442	1,978,760	
Star Ohio - Money Market Funds	33,217,427	33,217,427		
Total	$ 84,684,367	$ 43,697,121	$ 11,856,240	$ 29,131,006

As of December 31, 2016, the Authority's investment maturities were as follows:

		Remaining Maturity (in months) as of December 31, 2016		
Investment Type	Total Amount	12 Months or Less	12 to 24 Months	24 to 60 Months
Federal National Mortgage Association	$ 10,905,300		$ 1,988,220	$ 8,917,080
Federal Home Loan Mortgage Corporation	5,476,144		4,477,754	998,390
Federal Home Loan Bank	3,819,475		3,819,475	
Commercial Paper	17,898,633	$ 17,898,633		
Money Market Funds	46	46		
Total	$ 38,099,598	$ 17,898,679	$ 10,285,449	$ 9,915,470

Credit Risk

The Authority's investment policy complies with State law. The classifications of the investments are limited to U.S. government or agency securities, commercial paper, interim deposits and the Treasurer of State's Pooled Investment Program (STAR Ohio). Investments in commercial paper must be rated at the time of purchase in the highest classification established by at least two nationally recognized standard rating services.

As of December 31, 2017, the credit quality ratings of the Authority's investments were as follows:

Investment Type	Total Amount	Rating as of December 31, 2017: AAA	Rating as of December 31, 2017: A-1
Federal Farm Credit Bank	$ 8,449,320	$ 8,449,320	
Federal National Mortgage Association	18,813,060	18,813,060	
Federal Home Loan Mortgage Corporation	18,409,358	18,409,358	
Federal Home Loan Bank	5,795,202	5,795,202	
Star Ohio - Money Market Funds	33,217,427	33,217,427	
Total Investments measured at Fair Value	$ 84,684,367	$ 84,684,367	$ -

Rating Organization: Moody; Standard & Poor's for Money Market Funds

As of December 31, 2016, the credit quality ratings of the Authority's investments were as follows:

Investment Type	Total Amount	Rating as of December 31, 2016: AAA	Rating as of December 31, 2016: A-1
Federal National Mortgage Association	$ 10,905,300	$ 10,905,300	
Federal Home Loan Mortgage Corporation	5,476,144	5,476,144	
Federal Home Loan Bank	3,819,475	3,819,475	
Commercial Paper	17,898,633		$ 17,898,633
Money Market Funds	46	46	
Total Investments measured at Fair Value	$ 38,099,598	$ 20,200,965	$ 17,898,633

Rating Organization: Moody

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority's policy specifies a number of limitations to minimize concentration of credit risk, including prohibiting investing more than 5% of the portfolio in securities (other than U.S. government, mutual funds, external investment pools, and other pooled investments) of any one issuer.

Investments in any one issuer that represent 5% or more of total investment portfolio of Authority as of December 31, 2017 are as shown below:

	Allocation as of December 31, 2017	
Investment Type/ Issuer	Reported Amount	Percentage of Total Portfolio
Star Ohio - Money Market Funds	$ 33,217,427	39%
Federal National Mortgage Association	18,813,060	22%
Federal Home Loan Mortgage Corporation	18,409,358	22%
Federal Farm Credit Bank	8,449,320	10%
Federal Home Loan Bank	5,795,202	7%
Total	$ 84,684,367	100%

Investments in any one issuer that represent 5% or more of total investment portfolio of Authority as of December 31, 2016 are as shown below:

	Allocation as of December 31, 2016	
Investment Type/ Issuer	Reported Amount	Percentage of Total Portfolio
Federal National Mortgage Association	$ 10,905,300	29%
Federal Home Loan Mortgage Corporation	5,476,144	14%
Federal Home Loan Bank	3,819,475	10%
Commercial Paper	17,898,633	47%
Total	$ 38,099,552	100%

Investment Hierarchy - Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are valued by third party pricing services using a matrix pricing model. Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are classified in Level 3 of the fair value hierarchy. The Authority has the following fair value measurements as of December 31, 2017 and 2016.

STAR OHIO and money market investments are valued at amortized cost and thus are not classified in the fair value hierarchy.

As of December 31, 2017 the Authority's investment Maturities were as follows:

		Fair Value Measurement as of December 31, 2017	
Investment Type	Total Amount	Level 1	Level 2
Federal National Mortgage Association	$ 18,813,060	$ 18,813,060	
Federal Home Loan Mortgage Corporation	18,409,358	18,409,358	
Federal Farm Credit Bank	8,449,320	8,449,320	
Federal Home Loan Bank	5,795,202	5,795,202	
Total Investments measured at Fair Value	$ 51,466,940	$ 51,466,940	$ -

As of December 31, 2016, the Authority's investment Maturities were as follows:

		Fair Value Measurement as of December 31, 2016	
Investment Type	Total Amount	Level 1	Level 2
Federal National Mortgage Association	$ 10,905,300	$ 10,905,300	
Federal Home Loan Mortgage Corporation	5,476,144	5,476,144	
Federal Home Loan Bank	3,819,475	3,819,475	
Commercial Paper	17,898,633		$ 17,898,633
Money Market Funds	46	46	
Total Investments measured at Fair Value	$ 38,099,598	$ 20,200,965	$ 17,898,633
Less Investments included in Cash & Cash Equivalents	(46)	(46)	
Total Investments	$ 38,099,552	$ 20,200,919	$ 17,898,633

4. NAMING RIGHTS

In prior years, The Authority has entered into several contracts with various Cleveland institutions to secure naming rights on the Authority's transit lines and stations. A "Naming Rights Receivable" has been recorded. The current portion of the naming rights receivable as of December 31, 2017 and 2016 was $631,219 and $252,007 respectively. The long-term portion of the receivable is reflected in the non-current assets section on the Statements of Net Position.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Balance January 1, 2017	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2017
Capital Assets Not Being Depreciated:				
Land	$ 37,813,005		$ 298,439	$ 37,514,566
Construction in Progress	74,818,510	$ 11,767,556	25,171,468	61,414,598
Total Capital Assets Not Being Depreciated	112,631,515	11,767,556	25,469,907	98,929,164
Capital Assets Being Depreciated:				
Infrastructure	63,461,761	2,191,936		65,653,697
Right-of-Ways	309,453,871	6,194,795	889,848	314,758,818
Building, Furniture & Fixtures	548,210,603	30,608,797		578,819,400
Transportation and Other Equipment	486,818,134	22,846,840	7,803,274	501,861,700
Bus Rapid Transit	163,516,360	88,814		163,605,174
Total Capital Assets Being Depreciated	1,571,460,729	61,931,182	8,693,122	1,624,698,789
Less Accumulated Depreciation:				
Infrastructure	22,522,305	1,451,592	361,871	23,612,026
Right-of-Ways	190,045,237	6,396,321		196,441,558
Building, Furniture & Fixtures	325,074,011	18,796,472		343,870,483
Transportation and Other Equipment	369,831,271	19,654,375	7,793,480	381,692,166
Bus Rapid Transit	29,412,299	3,634,548		33,046,847
Total Accumulated Depreciation	936,885,123	49,933,308	8,155,351	978,663,080
Total Capital Assets Being Depreciated, Net	634,575,606	11,997,874	537,771	646,035,709
Total Capital Assets, Net	$ 747,207,121	$ 23,765,430	$ 26,007,678	$ 744,964,873

Remaining costs to complete construction projects, as of December 31, 2017, which will extend over a period of several years, total $63.0 million. Approximately $46.7 million of these costs are eligible for reimbursement under approved capital grants. The remaining portion of these costs is the responsibility of the Authority and will be funded with sales tax revenue or long-term debt. The major projects that the Authority completed in 2017 are the Brookpark Transit Station and the Lee-Shaker Rapid Station.

For the year ended December 31, 2017, capitalized interest was $376,784.

Capital asset activity for the year ended December 31, 2016 was as follows:

	Balance January 1, 2016	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2016
Capital Assets Not Being Depreciated:				
Land	$ 37,813,005			$ 37,813,005
Construction in Progress	59,521,569	$ 30,139,985	$ 14,843,044	74,818,510
Total Capital Assets Not Being Depreciated	97,334,574	30,139,985	14,843,044	112,631,515
Capital Assets Being Depreciated:				
Infrastructure	63,461,761			63,461,761
Right-of-Ways	309,263,778	190,093		309,453,871
Building, Furniture & Fixtures	546,140,010	2,074,943	4,350	548,210,603
Transportation and Other Equipment	470,713,252	24,302,363	8,197,481	486,818,134
Bus Rapid Transit	163,101,897	414,463		163,516,360
Total Capital Assets Being Depreciated	1,552,680,698	26,981,862	8,201,831	1,571,460,729
Less Accumulated Depreciation:				
Infrastructure	21,075,765	1,446,540		22,522,305
Right-of-Ways	183,671,178	6,374,059		190,045,237
Building, Furniture & Fixtures	307,161,059	17,912,952		325,074,011
Transportation and Other Equipment	359,502,538	18,471,894	8,143,161	369,831,271
Bus Rapid Transit	25,783,676	3,628,623		29,412,299
Total Accumulated Depreciation	897,194,216	47,834,068	8,143,161	936,885,123
Total Capital Assets Being Depreciated, Net	655,486,482	(20,852,206)	58,670	634,575,606
Total Capital Assets, Net	$ 752,821,056	$ 9,287,779	$ 14,901,714	$ 747,207,121

Remaining costs to complete construction projects, as of December 31, 2016, which will extend over a period of several years, total $65.8 million. Approximately $57.8 million of these costs are eligible for reimbursement under approved capital grants. The remaining portion of these costs is the responsibility of the Authority and will be funded with sales tax revenue or long-term debt. The major projects that the Authority completed in 2016 are the Trolley Bus Replacement and CNG Heavy Maintenance Upgrade.

For the year ended December 31, 2016, capitalized interest was $617,659.

6. LONG-TERM DEBT

Long-term bonds and capital lease payable at December 31, 2017 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2017	Additions	Reductions	Balance December 31, 2017	Due Within One Year
Series 2008-GO Bonds	4.57	$ 3,910,000		$ 1,915,000	$ 1,995,000	$ 1,995,000
Series 2012-Sales Tax Revenue Bonds	5.01	22,550,000		2,995,000	19,555,000	2,875,000
Series 2014A-Sales Tax Revenue Bonds	4.50	13,360,000			13,360,000	
Series 2014B-Sales Tax Revenue Bonds	1.51	15,740,000		5,685,000	10,055,000	6,005,000
Series 2015 Sales Tax Capital Improvement Refunding Bonds	4.78	49,430,000		1,010,000	48,420,000	1,060,000
Series 2016 Sales Tax Supported Refunding Bonds	4.92	15,040,000		10,000	15,030,000	10,000
Premium		20,293,087		1,831,124	18,461,963	
Total Bonds Payable		140,323,087		13,446,124	126,876,963	11,945,000
Total Long-Term Debt		$ 140,323,087		$ 13,446,124	$ 126,876,963	$ 11,945,000

Long-term bonds and capital lease payable at December 31, 2016 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2016	Additions	Reductions	Balance December 31, 2016	Due Within One Year
Series 2004-GO Bonds	4.23	$ 5,895,000		$ 5,895,000		
Series 2006-GO Bonds	4.51	1,260,000		1,260,000		
Series 2008-GO Bonds	4.57	5,750,000		1,840,000	$ 3,910,000	$ 1,915,000
Series 2008B-GO Bonds	4.01	5,775,000		5,775,000		
Series 2012-Sales Tax Revenue Bonds	5.01	38,380,000		15,830,000	22,550,000	2,995,000
Series 2014A-Sales Tax Revenue Bonds	4.50	13,360,000			13,360,000	
Series 2014B-Sales Tax Revenue Bonds	1.51	16,040,000		300,000	15,740,000	5,685,000
Series 2015 Sales Tax Capital Improvement Refunding Bonds	4.78	50,420,000		990,000	49,430,000	1,010,000
Series 2016 Sales Tax Supported Refunding Bonds	4.92		$ 15,410,000	370,000	15,040,000	10,000
Premium		19,202,969	4,036,045	2,945,927	20,293,087	
Total Bonds Payable		156,082,969	19,446,045	35,205,927	140,323,087	11,615,000
Total Long-Term Debt		$ 156,082,969	$ 19,446,045	$ 35,205,927	$ 140,323,087	$ 11,615,000

On February 20, 2008, the Authority issued $35,000,000 of general obligation capital improvement bonds for the purpose of financing current and future capital improvement projects. The bonds bear interest at rates ranging from 3.0% to 4.68% per annum, and mature in various installments through December 1, 2027.

On June 7, 2012, the Authority issued $42,390,000 of sales tax supported capital improvement and refunding bonds for the purpose of financing current and future capital improvement projects. The bonds bear interest at rates ranging from 4.23% to 5.01% per annum, and mature in various installments through December 1, 2031. $18,540,000 of these bonds were used for the partial advance refunding of the 2004 capital improvement and refunding bonds. The aggregate debt service on the 2004 bonds was $27,078,250 versus $25,095,164. As a result of the of the advanced refunding, the

Authority's net present value of savings was $1,673,884 which constitutes the economic gain on the transaction. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2017 is $16,400,000.

On April 16, 2014, the Authority issued $13,360,000 in tax-exempt sales tax supported bonds (2014A) and $16,340,000 in taxable sales tax support bonds (2014B). The 2014A bonds bear interest at rates ranging from 3.00% to 5.00%, with a final maturity date of December 1, 2025. The 2014B bonds bear interest at rates ranging from .0735% to 2.937%, with a maturity date of December 1, 2020. Proceeds of the bonds were used for a partial advance refunding of the 2004 and 2006 debt. The aggregate debt service on the 2004 and 2006 bonds was $38,395,668 versus $36,435,105. As a result of the of the advanced refunding, the Authority's net present value of savings was $1,340,643 which constitutes the economic gain on the transaction. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2017, is $23,955,000.

On March 17, 2015 the Authority issued $51,425,000 of sales tax supported capital improvement and refunding bonds. $21.4 million of these bonds were used to do a partial refunding of the 2008A outstanding debt and also to prepay the 2007 Master Tax Exempt lease. $30 million was issued to finance current and future capital improvement projects. The bonds bear interest rates ranging from 2% to 5% per annum, and mature in various installments through December 1, 2034. The aggregate debt service on the 2008 bonds and 2007 lease obligations were $48,042,513 versus $30,578,967. As a result of the of the advanced refunding, the Authority's net present value of savings was $2,330,056 which constitutes the economic gain on the transaction. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2017 is $22,160,000.

On May 3, 2016, the Authority issued $15,410,000 of sales tax supported refunding bonds to partially refund the 2012 capital improvement and refunding bonds. The bonds bear interest rates from 2% to 5% per annum, and mature in various installments through December 1, 2031. The aggregate debt service on the 2012 bonds was $24,959,625 versus $23,973,832. As a result of the of the advanced refunding, the Authority's net present value of savings was $974,368 which constitutes the economic gain on the transaction. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2017 is $ 14,915,000.

The annual requirements to pay principal and interest on the bonds outstanding at December 31, 2017 are as follows:

	Bonds	
Year	**Principal**	**Interest**
2018	$ 11,945,000	$ 4,974,937
2019	9,650,000	4,577,090
2020	9,655,000	4,197,710
2021	10,390,000	3,824,250
2022	8,535,000	3,304,950
2023-2027	37,295,000	10,284,400
2028-2032	16,425,000	3,489,500
2033-2034	4,520,000	341,750
Total	**$ 108,415,000**	**$ 34,994,587**

7. RETIREMENT AND OTHER BENEFITS

DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

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

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

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

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 the contractually-required pension contribution outstanding at the end of the year is included as an accrued expense.

Ohio Public Employees Retirement System

Plan Description — All full-time employees of the Authority participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. While members may elect the Member-Directed Plan and Combined Plan, substantially all employee members are in OPERS Traditional Plan or Combined Plans with approximately 1.5 percent of the Authority’s employee/employer contributions being directed to the Member-Directed Plan, as opposed to only 1.0 percent in 2016. Since the financial impact from the Member –Directed Plan is not significant, financial activity pertaining to the Member-Direct Plan is not reflected in these financial statements.

OPERS has authority to establish and amend benefits as provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/investments/cafr.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

OPERS administers three separate pension plans. The *Traditional Plan* is a cost-sharing, multiple-employer defined benefit pension plan. Pension benefits are funded by both member and employer contributions and investment earnings on the contributions. The *Member-Directed Plan* is a defined contribution plan in which the member invests both member and employer contributions (employer vest over 5 years at 20% per year).The *Combined Plan* is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefits similar to but as a factor less than the Traditional Pension Plan. Member contributions, the investment of which is self-directed by the members accumulate retirement assets in a manner similar to the member-directed plan.

On January 7, 2013, marks the effective date for Senate Bill 343. The Senate Bill 343 categorizes retirees into three groups with varying provisions of the law applicable to each group. Final average salary (FAS) represents the average of the three highest years of earnings over a retiree's career for Groups A and B. While, Group C is based on the average of the five highest years of earnings over a retiree's career. Retirees who retire before meeting the age and years of service credit requirement for unreduced benefit receive a percentage reduction in the benefit amount.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Plan, see OPERS CAFR for additional information. The 2017 service formula used to compute the benefit remained unchanged from 2016.

OPERS- Traditional Plan, service benefit formula is presented by group in the table below:

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 65 with 60 months of service credit or Any Age with 30 years of service credit	Age 66 with 60 months of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 67 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	**Law Enforcement**	**Law Enforcement**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 48 with 25 years of service credit or Age 62 with 15 years of service credit	Age 50 with 25 years of service credit or Age 64 with 15 years of service credit	Age 52 with 25 years of service credit or Age 64 with 15 years of service credit
Formula:	**Formula:**	**Formula:**
2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in the calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to beneficiary of a deceased retiree or disability benefit recipient under the Traditional Plan.

Retirement benefits in the Combined Plan consist of both an age-and–service formula benefit and a defined contribution element. Eligibility regarding age and years of service in the Combined Plan is the same as the Traditional Pension Plan. The subsequent table provides age and service requirements and the retirement formula applied to final average salary (FAS) for the three member groups under the Combined Pension Plan, see OPERS CAFR for additional information. The 2017 service formula used to compute the benefit remained unchanged from 2016.

OPERS- Combined Plan, Service benefit formula is presented by group in the table below:

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age and Service Requirements:**	**Age and Service Requirements:**
Age 65 with 60 months of service credit or Any Age with 30 years of service credit	Age 66 with 60 months of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 67 with 5 years of service credit
Formula:	**Formula:**	**Formula:**
1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1.0% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	1.0% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Once a benefit recipient retiring under the Combined Plan has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided on the member's base benefit. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in the calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of $500-$2,500, determined by the number of years of service credit of the retiree, is paid to beneficiary of a deceased retiree or disability benefit recipient under the Combined Plan.

Funding Policy relevant to Traditional, Combined and Member-Directed Plans: The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2 percent. Members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contribute 12 percent and 13 percent, respectively

The Authority's contribution rate for 2016 and 2017 remained at 14.0 percent, except for those plan members in law enforcement or public safety, for whom the Authority's' contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of the employer's contribution allocated to health care was 1.0 percent and 2.0 percent respectively for calendar years 2017 and 2016. The healthcare redirected employer contribution funding percentage was reduced in 2017. The Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority's contractually required contribution for the Traditional Plan net of post-employment health care benefits, for fiscal year 2017 and 2016 was $14,800,939 and $15,979,844 respectively. The contractually required contribution for the Combined Plan net of post-employment health care benefits, for fiscal year 2017 and 2016 was $259,172 and $267,777 respectively.

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The active member population which consists of members in the Traditional and Combined Plans is assumed to remain constant. For purposes of financing the unfunded actuarial accrued liabilities, total payroll is assumed to grow at the wage inflation rate indicated below.

The total pension liability *actuarial valuations for the measurement periods* December 31, 2016 and December 31, 2015 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement.

Actuarial Assumptions Used in Calculating Total Pension Liability - 2016

Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2016	December 31, 2016
Experience Study	5-year period ended	5-year period ended
	December 31, 2015	December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions	**Traditional Plan**	**Combined Plan**
Investment Rate of Return	7.5%	7.5%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75%	3.25 - 8.25%
	(Includes 3.25% Wage Inflation)	(Includes 3.25% Wage Inflation)
COLA	**Traditional Plan**	**Combined Plan**
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018	3.00% Simple through 2018
	then 2.15% simple	then 2.15% simple

Actuarial Assumptions Used in Calculating Total Pension Liability - 2015

Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2015	December 31, 2015
Experience Study	5-year period ended	5-year period ended
	December 31, 2010	December 31, 2010
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
Actuarial Assumptions	**Traditional Plan**	**Combined Plan**
Investment Rate of Return	8.0%	8.0%
Wage Inflation	3.75%	3.75%
Projected Salary Increase	4.25 - 10.05%	4.25 - 8.05%
	(Includes 3.75% Wage Inflation)	(Includes 3.75% Wage Inflation)
COLA	**Traditional Plan**	**Combined Plan**
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018	3.00% Simple through 2018
	then 2.8% Simple	then 2.8% Simple

For the current valuation, mortality rates are based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables. The most recent experience study was completed for the five-year period ended December 31, 2015.

For the prior valuation, mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP2000 mortality table with no projections. For males, 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used. The prior experience study was completed for the five-year period ended December 31, 2010.

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

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

Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio is 8.3% for 2016 and 0.4% for 2015.

The table below displays the OPERS Board-approved asset allocation policy for the years 2016 & 2015 and the long-term expected real rates of return:

Asset Class	2016 Target Allocation	2016 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2015 Target Allocation	2015 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.75%	23.00%	2.31%
Domestic Equities	20.70%	6.34%	20.70%	5.84%
Real Estate	10.00%	4.75%	10.00%	4.25%
Private Equity	10.00%	8.97%	10.00%	9.25%
International Equities	18.30%	7.95%	18.30%	7.40%
Other Investments	18.00%	4.92%	18.00%	4.59%
TOTAL	100.00%	5.66%	100.00%	5.27%

Discount Rate: The discount rate used to measure the total pension liability for 2016 and 2015 was 7.5 and 8.0 percent respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

Authority's proportionate share of the net pension liability(asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Traditional Plan at December 31, 2017	$370,209,433	$ 242,327,530	$135,760,533
Combined Plan at December 31, 2017	$24,860	$ (345,911)	$(633,936)

The following table presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage point higher than the 8 percent.

Authority's proportionate share of the net pension liability(asset)	1% Decrease 7%	Current Discount Rate 8%	1% Increase 9%
Traditional Plan at December 31, 2016	$293,367,701	184,132,275	$91,995,655
Combined Plan at December 31, 2016	$(6,099)	$ (296,780)	$(530,596)

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

The net total pension liability at December 31, 2017 was measured as of December 31, 2016. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense for the current and prior year. The related deferred outflows and inflows of resources associated with the pension liability are presented on the following pages.

2017 Net Pension Liability and Pension Expense	Traditional	Combined	Total
Proportionate Share of the Net Pension (Asset)/Liability prior measurement date	1.0630420%	(.609880%)	
Proportionate Share of the Net Pension (Asset)/Liability current measurement date	1.0671320%	(.621506%)	
Change in Proportionate Share	0.0040900%	.011626%	
Proportionate Share of the Net Pension Asset	$0	$345,911	$345,911
Proportionate Share of the Net Pension Liability	$242,327,530	$0	$242,327,530
Pension Expense	$51,446,658	$249,910	$51,696,568

For comparative purposes, the net pension liability for OPERS' Traditional and Combined Plans for 2016 are presented below.

2016 Net Pension Liability and Pension Expense	Traditional	Combined	Total
Proportionate of the Net Pension Liability (Asset) prior measurement date	1.0368800%	(.587990%)	
Proportionate of the Net Pension Liability (Asset) current measurement date	1.0630420%	(.609880%)	
Change in Proportionate Share	0.0261620%	.021890%	
Proportionate of the Net Pension Liability (Asset)	$184,132,275	$(296,780)	$183,835,495
Pension Expense	$25,872,204	$156,485	$26,028,689

At December 2017, the Authority reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	OPERS Traditional	OPERS Combined	Total
2017 Deferred Outflow of Resources			
Authority's contributions subsequent to measurement date	$14,800,939	$259,171	$15,060,110
Net difference between projected and actual earnings on pension plan investments	36,088,164	84,397	36,172,561
Difference in employer contributions and change in proportionate share	1,121,303		1,121,303
Difference between expected and actual experience	328,456		328,456
Change in assumptions	38,436,114	84,305	38,520,419
Total Deferred Outflow of Resources	$90,774,976	$427,873	$91,202,849
2017 Deferred Inflow of Resources			
Difference between expected and actual experience	$1,442,212	$176,910	$1,619,122
Difference in employer contributions and change in proportionate share	(347,346)	(141)	(347,487)
Total Deferred Inflows of Resources	$1,094,866	$176,769	$1,271,635

Deferred outflows of $15,060,110 represent Authority's contributions subsequent to the measurement date. These contributions are recognized as a reduction of the net pension liability in the year ending December 31, 2018. Subsequent contributions recognized as deferred outflows in 2016 were $16,247,621 and thus reduced the current year net pension liability.

At December 2016, the Authority reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	OPERS Traditional	OPERS Combined	Total
2016 Deferred Outflow of Resources			
Authority's contributions subsequent to measurement date	$15,979,844	$267,777	$16,247,621
Net difference between projected and actual earnings on pension plan investments	54,123,389	128,138	54,251,527
Difference in employer contributions and change in proportionate share	2,081,900		2,081,900
Difference between expected and actual experience			
Total Deferred Outflow of Resources	$72,185,133	$395,915	$72,581,048
2016 Deferred Inflow of Resources			
Difference between expected and actual experience	$3,557,793	$135,423	$3,693,216
Difference in employer contributions and change in proportionate share		5,697	5,697
Total Deferred Inflow of Resources	$3,557,793	$141,120	$3,698,913

Other amounts reported as deferred outflows of resources and deferred inflow of resources, including change in proportionate share, difference between expected and actual experience and difference in projected versus actual earnings on pensions investments are amortized as pension expense over subsequent periods.

	Amortization of Deferred Outflows/Inflow - 2018 forward		
	OPERS Traditional	OPERS Combined	Total
2018	31,407,624	16,350	31,423,974
2019	31,686,563	16,350	31,702,913
2020	12,842,814	12,698	12,855,512
2021	(1,057,830)	(17,209)	(1,075,039)
2022		(14,052)	(14,052)
2023		(14,052)	(14,052)
2024-2026		(8,152)	(8,152)
	74,879,171	(8,067)	74,871,104

SUPPLEMENTAL RETIREMENT BENFIT PLAN

GCRTA pays supplemental retirement benefits to various classifications of individuals under several different arrangements. This plan is not governed under ERISA (Employee Retirement Income Security Act of 1974). An actuarial study is performed every two years; the last study completed for the year ended December 31, 2016. Based on the last study available, there were 1,638 participants in pay status and 1,833 active employees and benefit payments of $74,545.

As of December 31, 2016, the Supplemental Pension Fund liability was determined to be $995,656, based on the 2016 actuarial study. The fair value of associated assets totaled $1,312,349 and $1,292,866 as of December 31, 2017 and 2016, respectively.

8. POST-EMPLOYMENT HEATH CARE BENEFITS

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

In addition, OPERS provides health care coverage to eligible benefit recipients and is neither a guaranteed nor statutorily required benefit. OPERS' primary funding responsibility is to pensions. Health care plans are funded from a portion of the employer contribution as approved by the Board each year.

In March 2016, OPERS received approval in 2016 from the Internal Revenue Service to consolidate health care assets into the 115 Health Care Trust. The 401(h) Health Care Trust and VEBA Trust were closed as of June 30, 2016, and the net positions transferred to the 115 Health Care Trust on July 1, 2016. As of July 1, 2016, the 115 Health Care Trust holds all health care assets and provides funding for a group of cost-sharing, multiple-employer health care plans that provide health care coverage for eligible benefit recipients in the Traditional Pension Plan and Combined Plan.

The 115 Health Care Trust also holds the assets for the Member-Directed Retiree Medical Account Plan (previously funded through the VEBA Trust). The covered lives included in the actuarial valuation as of December 31, 2015, the most recent actuarial valuation date, under the 401(h) Health Care Trust are included in the covered lives under the 115

Health Care Trust in 2016. Therefore, no actuarial accrued liability exists for the 115 Health Care Trust as of December 31, 2015.

Eligibility requirements for access to the OPERS health care options has changed over the history of the program for Traditional Pension Plan and Combined Plan members. Prior to January 1, 2015, 10 or more years of service were required to qualify for health care coverage. Beginning January 1, 2015, generally, members must be at least age 60 with 20 years of qualifying service credit to qualify for health care coverage or 30 years of qualifying service at any age.

Members of the Member-Directed Plan are not eligible for the health care coverage offered to benefit recipients in the Traditional Pension Plan and Combined Plan. A portion of employer contributions for these participants is allocated to a Retiree Medical Account (RMA). Upon separation or retirement, participants may be reimbursed for qualified medical expense from their RMA accounts.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2016, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care. Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care 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 percent 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 health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2017 and 2016 was 4.0 percent.

Substantially all of the Authorities contribution allocated to fund postemployment health care benefits relate to the cost-sharing, multiple employer trusts. The Authorities contributions allocated to fund post-employment health care benefits for the fiscal years ended December 31, 2017 and 2016 were $2,530,932 and $2,656,022 respectively.

9. PURCHASED TRANSPORTATION SERVICES

The Greater Cleveland Regional Transit Authority contracts with vendors who use local taxi companies to provide transit services within Cuyahoga County for elderly and handicapped persons. Expenses under this contract amounted to $8,290,645 and $8,376,765 in 2017 and 2016, respectively.

10. GRANTS, REIMBURSEMENTS, AND SPECIAL FARE ASSISTANCE

Grants, reimbursements, and special fare assistance are included in the Non-operating revenues (expenses) and the Capital grant revenue categories on the Statement of Revenues, Expenses, and Changes in Net Position for the years ended December 31, 2017 and 2016 as follows:

		2017		2016
FEDERAL:				
FTA Capital Grants	$	37,262,011	$	31,135,823
FTA Maintenance Assistance		16,002,939		16,959,097
FTA Operating Grants		55,158		8,789
Pass-Through Grants		144,508		91,275
Total	$	53,464,616	$	48,194,984
STATE:				
ODOT Capital Grants	$	16,500	$	43,902
ODOT Fuel Tax Reimbursement		803,773		895,094
ODOT Operating Grants		1,108,464		174,788
Total	$	1,928,737	$	1,113,784

11. CONTINGENCIES

Federal and State Grants – Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expense under the terms of the grant. At December 31, 2017 and 2016, there were no questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future.

Contract Disputes and Legal Proceedings – The Authority has been named as a defendant in a number of contract disputes and other legal proceedings. Although the eventual outcome of these matters cannot be predicted, it is the opinion of management that the ultimate liability is not expected to have a material effect on the Authority's financial position.

12. FUEL PRICE RISK MANAGEMENT

Pursuant to Ohio Revised Code, Section 9.835(A), (B), and (C) and Section 135.14, the Authority utilizes futures contracts and commodity swaps to manage the volatility of fuel costs. These techniques are traditionally used to limit exposure to price fluctuations. Management recognized that fluctuations in fuel prices could have a negative impact on the Authority's financial affairs. Accordingly, the Authority has utilized both futures contracts and fuel swap agreements to offset against price volatility of diesel fuel in accordance with the Authority's Energy Price Risk Management Policy established by the Board of Trustees. These transactions are completely separate from the physical fuel purchase transactions. The Authority uses an advisor to help monitor the markets and advise on opportunities.

Futures Contracts – The Authority's Board limits contracts in-place to 90% of projected consumption within a fiscal year. Ultra Low Sulfur Diesel (ULSD) futures contracts were utilized to manage price volatility through October 2020. The initial value of each contract is zero. Upon entering into these contracts, the broker requires a margin to be deposited into the account. The account is marked-to-market each night, with cash settlements occurring daily. Depending on the daily adjustment to the account, the Authority may be requested to make an incremental cash deposit the following day (to continue to meet the required margin requirements) or may receive a cash withdrawal from the brokerage account (if the cash balance in the brokerage account exceeds the margin requirement). The outstanding contracts are being reported at fair value of the investments.

Fuel Price Swap Agreements – In prior years the Authority entered into fuel swap agreements or contracts to manage the price volatility of diesel fuel. For 2017 and 2016 fiscal years, the Authority did not enter into any fuel swap agreements.

The Authority entered into commodity transaction agreements for New York Mercantile Exchange (NYMEX) New York Ultra Low Sulfur Diesel (ULSD) futures contracts with various counterparties, as shown below as of December 31, 2017:

(See table on following page)

NYMEX

Execution Date	Maturity Date	Gallons	Total Quality (Gallons)	Contract Price Range (Per Gallon)	Fair Market Value As of 12/31/17
8/3/2015	7/31/2018	42,000	252,000	$ 1.873-1.882	$ 33,785
8/19/2015	4/30/2018	42,000	126,000	$ 1.815-1.820	28,140
8/21/2015	7/31/2018	42,000	126,000	$ 1.79-1.80	23,390
10/19/2015	10/31/2018	42,000	252,000	$ 1.773-1.812	53,092
11/12/2015	10/31/2018	42,000	126,000	$ 1.774-1.794	22,222
11/16/2015	7/31/2018	42,000	126,000	$ 1.723-1.742	31,181
11/19/2015	4/30/2018	42,000	126,000	$ 1.703-1708	42,294
11/27/2015	3/31/2018	42,000	84,000	$ 1.701-1.702	29,770
11/30/2015	4/30/2018	42,000	42,000	$ 1.696	13,306
12/2/2015	7/31/2018	42,000	126,000	$ 1.688-1.711	35,360
12/9/2015	1/31/2019	42,000	126,000	$ 1.727-1.738	27,947
12/10/2015	6/30/2018	42,000	84,000	$ 1.647-1.66	27,901
12/11/2015	8/31/2018	42,000	42,000	$ 1.669	12,390
12/14/2015	1/31/2019	42,000	210,000	$ 1.680-1.707	55,045
12/15/2015	12/31/2018	42,000	42,000	$ 1.69	11,092
12/16/2015	1/31/2019	42,000	210,000	$ 1.649-1.698	59,686
1/12/2016	1/31/2019	42,000	126,000	$ 1.476-1.493	59,170
2/9/2016	2/28/2019	42,000	42,000	$ 1.43	21,664
3/15/2016	2/28/2019	42,000	42,000	$ 1.51	18,304
4/1/2016	3/31/2019	42,000	42,000	$ 1.51	17,732
4/4/2016	4/30/2019	42,000	42,000	$ 1.48	18,173
6/9/2016	4/30/2019	42,000	42,000	$ 1.735	7,463
6/10/2016	6/30/2019	42,000	126,000	$ 1.74-1.752	20,840
6/16/2016	7/31/2019	42,000	42,000	$ 1.68	8,967
7/25/2016	8/31/2019	42,000	42,000	$ 1.7	8,106
11/14/2016	10/31/2019	42,000	252,000	$ 1.645-1.685	58,317
2/7/2017	1/31/2020	42,000	126,000	$ 1.752-1.759	18,929
3/8/2017	4/30/2019	42,000	126,000	$ 1.66-1.67	33,314
3/13/2017	11/30/2019	42,000	126,000	$ 1.622-1.634	33,986
4/27/2017	2/29/2020	42,000	126,000	$ 1.64-1.647	33,251
5/1/2017	4/30/2020	42,000	126,000	$ 1.64-1.65	32,323
6/2/2017	5/31/2020	42,000	126,000	$ 1.625-1.63	33,806
6/21/2017	7/31/2019	42,000	126,000	$ 1.50-1.51	49,749
6/26/2017	8/31/2019	42,000	42,000	$ 1.513	15,939
8/17/2017	12/31/2019	42,000	84,000	$ 1.638-1.644	22,063
8/15/2017	1/31/2020	42,000	126,000	$ 1.622-1.650	33,617
9/8/2017	2/28/2018	42,000	42,000	$ 1.714	14,872
9/11/2017	4/30/2018	42,000	42,000	$ 1.66	14,851
10/6/2017	7/31/2018	42,000	84,000	$ 1.684-1.704	23,554
10/9/2017	8/31/2017	42,000	42,000	$ 1.667	12,482
10/17/2017	6/30/2020	42,000	42,000	$ 1.738	6,174
10/19/2017	10/31/2020	42,000	210,000	$ 1.737-1.756	30,005
12/7/2017	9/30/2018	42,000	42,000	$ 1.835	5,242
					$ 1,159,494

The Authority entered into commodity transaction agreements for New York Mercantile Exchange (NYMEX) New York Ultra Low Sulfur Diesel (ULSD) futures contracts with various counterparties, as shown below as of December 31, 2016:

(See table on following page)

NYMEX

Execution Date	Maturity Date	Gallons	Total Quality (Gallons)		Contract Price Range (Per Gallon)		Fair Market Value As of 12/31/16
10/3/2014	4/30/2017	42,000	126,000	$	2.608-2.628	$	(111,376)
10/7/2014	7/31/2017	42,000	252,000	$	2.618-2.651		(224,288)
10/13/2014	5/31/2017	42,000	42,000	$	2.604		(36,137)
10/14/2014	7/31/2017	42,000	84,000	$	1.749-1.757		(71,085)
10/22/2014	4/30/2017	42,000	126,000	$	2.520-2.530		(99,553)
10/31/2014	10/31/2017	42,000	126,000	$	1.766-1.784		(94,118)
12/3/2014	4/30/2017	42,000	126,000	$	1.728-1.739		(74,164)
12/5/2014	12/3/2017	42,000	210,000	$	1.744-1.797		(112,661)
1/5/2015	1/31/2018	42,000	42,000	$	2.085		(11,789)
1/13/2015	4/30/2017	42,000	126,000	$	1.728-1739		(20,761)
1/21/2015	8/31/2017	42,000	42,000	$	1.766		(5,603)
2/11/2015	6/30/2017	42,000	84,000	$	1.744-1.749		(26,321)
2/13/2015	7/31/2017	42,000	42,000	$	1.757		(14,792)
5/7/2015	10/31/2017	42,000	126,000	$	1.766-1.784		(47,183)
5/26/2015	11/30/2017	42,000	126,000	$	1.776-1.791		(38,661)
7/1/2015	1/31/2018	42,000	84,000	$	1.797-1.804		(19,097)
7/7/2015	1/31/2018	42,000	126,000	$	1.791-1.804		(17,081)
7/21/2015	10/31/2017	42,000	378,000	$	1.728-1.784		(48,703)
7/22/2015	1/31/2018	42,000	252,000	$	1.892-1.929		(31,798)
8/3/2015	7/31/2018	42,000	252,000	$	1.873-1.882		(23,327)
8/7/2015	12/31/2017	42,000	84,000	$	1.804-1.81		(1,092)
8/11/2015	1/31/2018	42,000	42,000	$	1.816		(491)
8/19/2015	4/30/2018	42,000	126,000	$	1.820-1.819		(2,696)
8/21/2015	7/31/2018	42,000	126,000	$	1.79-1.80		(2,885)
10/19/2015	10/31/2018	42,000	252,000	$	1.773-1.812		(689)
11/12/2015	10/31/2018	42,000	126,000	$	1.774-1.794		(722)
11/16/2015	7/31/2018	42,000	126,000	$	1.723-1.742		4,906
11/19/2015	4/30/2018	42,000	126,000	$	1.703-1708		11,458
11/27/2015	3/31/2018	42,000	84,000	$	1.7013-1.7018		8,530
11/30/2015	4/30/2018	42,000	42,000	$	1.696		3,709
12/2/2015	7/31/2018	42,000	126,000	$	1.688-1.711		9,085
12/9/2015	1/31/2019	42,000	126,000	$	1.727-1.738		7,136
12/10/2015	6/30/2018	42,000	84,000	$	1.647-1.66		10,025
12/11/2015	8/31/2018	42,000	42,000	$	1.669		4,364
12/14/2015	1/31/2019	42,000	210,000	$	1.680-1.707		19,316
12/15/2015	12/31/2018	42,000	42,000	$	1.69		4,137
12/16/2015	1/31/2019	42,000	210,000	$	1.649-1.698		22,886
1/12/2016	1/31/2019	42,000	126,000	$	1.476-1.493		38,359
2/9/2016	2/28/2019	42,000	42,000	$	1.43		15,397
3/15/2016	2/28/2019	42,000	42,000	$	1.51		12,037
4/1/2016	3/31/2019	42,000	42,000	$	1.51		12,037
4/4/2016	4/30/2019	42,000	42,000	$	1.48		13,045
6/9/2016	4/30/2019	42,000	42,000	$	1.735		2,335
6/10/2016	6/30/2019	42,000	126,000	$	1.74-1.752		6,531
6/16/2016	7/31/2019	42,000	42,000	$	1.68		5,384
7/25/2016	8/31/2019	42,000	42,000	$	1.7		4,922
11/14/2016	10/31/2019	42,000	252,000	$	1.645-1.685		37,409
						$	(884,066)

The derivatives are subject to the following risks:

Interest Rate Risk – The Authority is not exposed to interest rate risk.

Credit Risk – The Authority is exposed to credit risk in the amount of the derivative's fair value. When the fair value of any derivative has a positive market value, then the Authority is exposed to the actual risk that the counterparty will not fulfill its obligations. As of December 31, 2017 and 2016, the counterparties had ratings of A3/A-/A- and A3/BBB+/A from Moody's, Standard & Poor's and Fitch, respectively.

Market Risk – The Authority is exposed to market risk arising from adverse changes in the market price of the commodity.

13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to third-party liability claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has a contract with an outside insurance company to provide all-risk property coverage with various limits on property and equipment of the Authority. The maximum limit of liability in any one occurrence, regardless of the number of locations or coverages involved, cannot exceed $500,000,000 and the deductible is $250,000. The Authority is self-insured for third-party bodily injury and third-party property damage liability claims, but has protection for the catastrophic loss exposure. Settled claims have not exceeded the self-insured retention in any of the last three years. The Authority purchases excess liability insurance to provide catastrophic protection of its assets against severe third-party liability losses. This umbrella liability coverage is in the amount of $75,000,000 per accident in excess of a $5,000,000 self-insured retention.

The Authority provides employees healthcare benefits, which include medical, drug, dental, and vision. These benefits are provided through both insured and self-funded plans under group agreements. A stop-loss policy covers claims in excess of $500,000 per employee and an aggregate of $38,051,424 per year. Neither threshold was exceeded.

The Authority is also an authorized self-insured employer in the State of Ohio and administers its own workers' compensation claims. Excess workers' compensation insurance coverage protects the Authority in excess of a self-insured retention of $750,000 for each additional accident and each employee by disease.

The GCRTA, by resolution of the Board of Trustees, established an insurance fund in fiscal year 1980 to accumulate monies to satisfy catastrophic or extraordinary losses. The insurance fund balance as of December 31, 2017 and 2016, was $6.0 and $5.2 million, respectively, and is included on the accompanying Statements of Net Position as part of unrestricted net position.

Changes in the Authority's self-insurance liabilities for third-party public liability, third-party property damage, worker's compensation and medical claims are reflected in the table below.

	2017	2016	2015
Balance, Beginning of Year	$ 20,016,820	$ 21,603,774	$ 23,396,744
Incurred Claims	28,428,915	22,995,768	22,535,398
Payments	(25,868,193)	(24,582,722)	(24,328,368)
Balance, End of Year	$ 22,577,542	$ 20,016,820	$ 21,603,774
Due Within One Year	$ 11,677,692	$ 9,117,620	$ 7,561,321

14. CONTINGENCIES

During the normal course of operation, the Authority has been named as a defendant in certain legal actions and claims. The Authority Management is of the opinion that the disposition of these legal actions and claims will not have a material adverse effect on the financial condition of the Authority. The Authority purchases commercial insurance to cover certain potential losses.

Due to a change in Federal requirements, Medicaid Managed Health Care (MMHC) providers will be removed from the Sales and Use Tax base effective July 1, 2017. This issue will impact the State of Ohio, all of its 88 counties and the eight transit authorities located in the State of Ohio that receive revenues from the Sales and Use Tax base. Unless the State of Ohio takes action to mitigate the effects of this issue or develops a revenue-neutral solution by June 30, 2017, the loss of MMHC providers will result in a loss of revenue for the Authority. If these efforts are not successful, the Authority may realize a loss of approximately $18 to $20 million of its Sales and Use Tax revenue on an annual basis. The Authority continues to evaluate options to mitigate the effect on its financial position including additional sources of revenue and cost reductions in addition to the efforts being undertaken by the State of Ohio.

15. RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

16. SUBSEQUENT EVENTS

In March 2018, an internal investigation by the Authority's Board of Trustees revealed that the former Board President improperly received $1.1 million in healthcare benefits and unpaid premiums for health insurance provided by the Authority. In addition, he failed to reimburse the Authority for personal use of his GCRTA issued cell phone. The investigation was performed by Internal Audit and external legal counsel retained by the Board. The findings from the investigations were referred to the Cuyahoga County Prosecutor, the Auditor of State, and the Ohio Ethics Commission for their review. Based on the findings of the investigation to date, management does not believe that this has a material effect on the financial statements of the Authority.

Greater Cleveland Regional Transit Authority implemented the provisions of Governmental Accounting Standards Board Statement No. 68, Accounting and financial Reporting for Pensions – an Amendment of GASB 27.

This section of the Authority Comprehensive Annual Financial Report presents required supplementary information as a context for further understanding of the Authority's implementation of GASB 68.

The Pension liability (asset) summary information for the Traditional and Combined Plans of the Authority at December 31st are reflected as follows:

Greater Cleveland Regional Transit Authority
Schedule of the Authority's Proportionate Share of the Net Pension Liability
Ohio Public employees Retirement System - Traditional Plan
Last Four Years (1)

TRADITIONAL PLAN	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	1.06713%	1.06304%	1.03688%	1.03688%
Authority's Proportionate of the Net Pension Liability	$ 242,327,530	$ 184,132,275	$ 125,059,292	$ 122,234,619
Authority's Covered- Employee Payroll	$ 131,477,995	$ 130,840,483	$ 128,811,030	$ 121,260,856
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	184.3103%	140.7304%	97.0874%	100.8030%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. Additional years will be presented as the information becomes available. Amounts presented for each fiscal year were determined as of the Authority's measurement date for the OPERS plan which is December 31.

Greater Cleveland Regional Transit Authority
Schedule of the Authority's Proportionate Share of the Net Pension (Asset) / Liability
Ohio Public employees Retirement System - Combined Plan
Last Four Years (1)

Combined Plan	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension (Asset) / Liability	(0.621506%)	(0.60988%)	(0.587986%)	(0.587986%)
Authority's Proportionate of the Net Pension Liability	$ (345,911)	$ (296,780)	$ (226,388)	$ (61,697)
Authority's Covered- Employee Payroll	$ 2,159,669	$ 2,149,197	$ 2,115,861	$ 1,991,841
Authority's Proportionate Share of the Net Pension (Asset) / Liability as a Percentage of its Covered-Employee Payroll	(16.0168%)	(13.8089%)	(10.6996%)	(3.0975%)
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) / Liability	(116.66%)	(116.90%)	(114.83%)	(104.56%)

(1) Although this schedule is intended to show information for ten years, information prior to 2014 is not available. Additional years will be presented as the information becomes available. Amounts presented for each fiscal year were determined as of the Authority's measurement date for the OPERS plan which is December 31.

The Pension contributions summary information for the Traditional and Combined Plans of the Authority for ten years are reflected as follows:

Traditional Plan:	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Authority Covered-Employee Payroll	Contributions as a % of Covered-Employee Payroll
2017	$ 14,800,939	$ (14,800,939)	$ -	$ 131,593,151	11.25 %
2016	$ 15,979,844	$ (15,979,844)	$ -	$ 131,477,995	12.15 %
2015	$ 15,848,700	$ (15,848,700)	$ -	$ 130,840,483	12.11 %
2014	$ 15,305,114	$ (15,305,114)	$ -	$ 128,811,030	11.88 %
2013	$ 14,774,422	$ (14,774,422)	$ -	$ 121,260,856	12.18 %
2012	$ 14,263,700	$ (14,263,700)	$ -	$ 116,902,061	12.20 %
2011	$ 13,544,025	$ (13,544,025)	$ -	$ 110,431,785	12.26 %
2010	$ 15,519,060	$ (15,519,060)	$ -	$ 111,277,117	13.95 %
2009	$ 16,541,079	$ (16,541,079)	$ -	$ 124,836,354	13.25 %
2008	$ 15,282,642	$ (15,282,642)	$ -	$ 124,188,890	12.31 %

Combined Plan:	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Authority Covered-Employee Payroll	Contributions as a % of Covered-Employee Payroll
2017	$ 259,171	$ (259,171)	$ -	$ 2,342,077	11.07 %
2016	$ 267,777	$ (267,777)	$ -	$ 2,159,669	12.40 %
2015	$ 267,630	$ (267,630)	$ -	$ 2,149,197	12.45 %
2014	$ 259,867	$ (259,867)	$ -	$ 2,115,861	12.28 %
2013	$ 249,489	$ (249,489)	$ -	$ 1,991,841	12.53 %
2012	$ 240,865	$ (240,865)	$ -	$ 1,920,243	12.54 %
2011	$ 228,712	$ (228,712)	$ -	$ 1,813,962	12.61 %
2010	$ 262,063	$ (262,063)	$ -	$ 1,827,847	14.34 %
2009	$ 279,322	$ (279,322)	$ -	$ 2,050,573	13.62 %
2008	$ 258,071	$ (258,071)	$ -	$ 2,039,937	12.65 %

Notes:
Ohio Public Employees' Retirement System (OPERS)
Changes of Benefit Terms: None
Changes of Assumptions: Amounts reported in 2017 reflect an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectations of retired life mortality was based on the RP-2014 Healthy Annuitant mortality table and the RP-2014 Disabled mortality table. The following reductions were also made to the actuarial assumptions:

- Discount rate from 8.00% to 7.50%
- Wage inflation rate from 3.75% to 3.25%
- Price inflation from 3.00% to 2.50%

2017

STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

This part of the Greater Cleveland Regional Transit Authority’s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority’s overall financial health.

Contents	**Page(s)**

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

TABLE 1

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

NET POSITION BY COMPONENTS

LAST TEN YEARS (IN THOUSANDS)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Investment in Capital Assets	$574,960	$574,797	$588,533	$569,852	$546,456	$546,042	$576,014	$601,570	$611,606	$621,340
Restricted	21,659	18,700	16,269	20,739	25,516	49,197	35,324	50,764	42,759	21,394
Unrestricted	20,434	16,313	43,446	61,689	63,830	48,311	35,375	(75,160)	(66,096)	(78,344)
Total Net Position	$617,053	$609,810	$648,248	$652,280	$635,802	$643,550	$646,713	$577,174	$588,269	$564,390

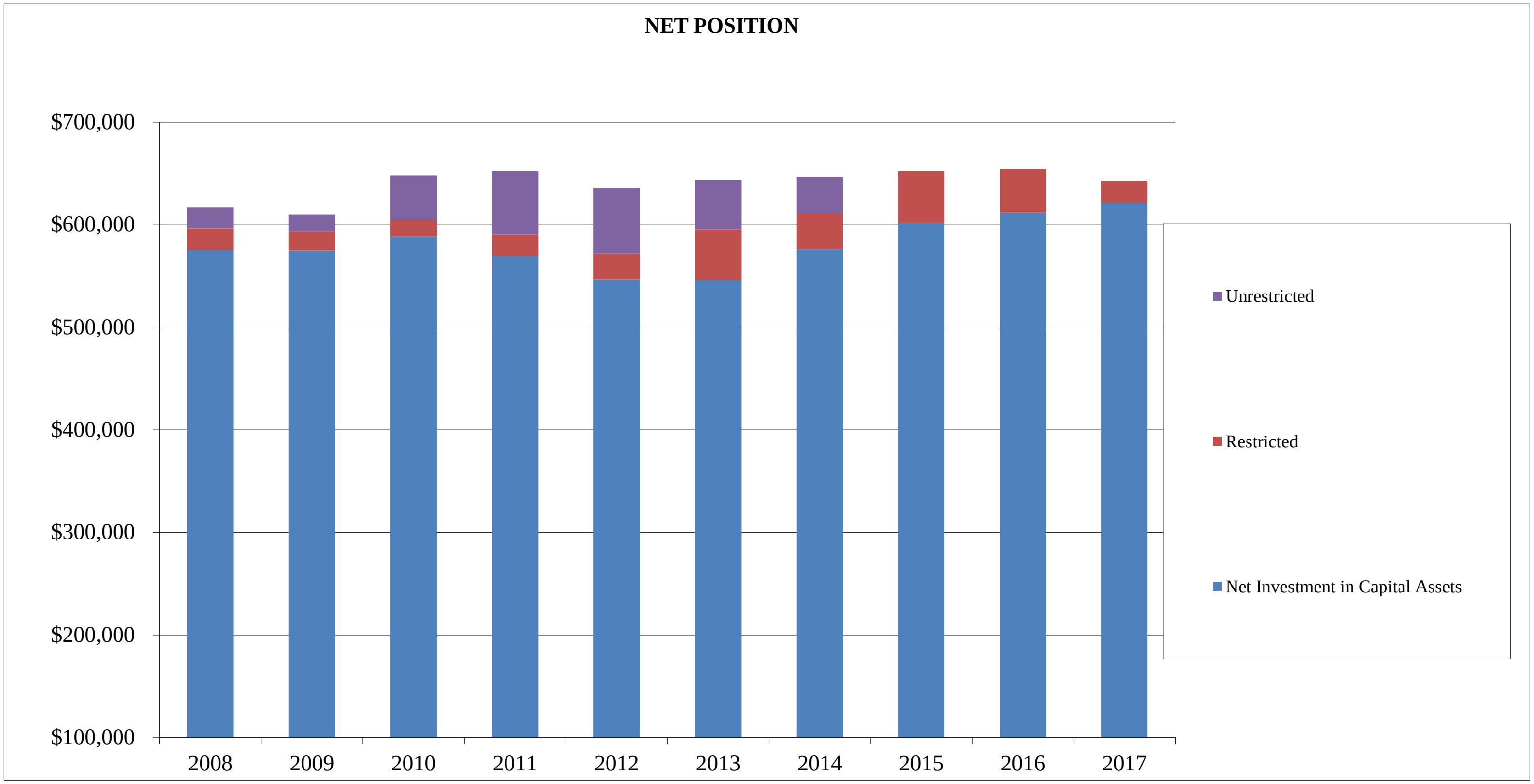


TABLE 2

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

CHANGES IN NET POSITION
LAST TEN YEARS (IN THOUSANDS)
(UNAUDITED)

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues:										
Passenger Fares	$47,671	$50,128	$46,959	$49,731	$49,896	$50,873	52,080	47,176	46,776	46,351
Advertising and Concessions	1,382	1,115	968	946	1,350	1,493	1,653	1,632	1,781	2,068
Total Operating Revenues	49,053	51,243	47,927	50,677	51,246	52,366	53,733	48,808	48,557	48,419
Operating Expenses	252,035	244,996	216,476	226,033	238,884	251,638	259,779	250,076	262,635	292,198
Depreciation Expense	45,531	50,053	47,963	48,016	47,961	48,764	48,517	47,291	47,834	49,933
Operating Loss	(248,513)	(243,806)	(216,512)	(223,372)	(235,599)	(248,036)	(254,563)	(248,559)	(261,912)	(293,712)
Non-operating Revenues (Expenses)										
Sales and use tax revenue	168,304	154,914	165,026	175,902	182,355	190,726	201,495	206,125	221,850	217,147
Federal Funds	23,189	22,553	34,117	20,456	10,368	9,178	10,911	14,020	16,968	16,059
Other State and Local Funds	4,689	15,875	6,578	2,070	2,957	2,975	2,265	2,206	1,070	1,912
Federal pass-through grants revenue	3,939	11,573	4,491	502	262	187	529	122	91	144
Investment Income	2,186	460	417	377	433	210	(387)	289	555	640
Gain (Loss) on Commodity Transactions			4,662	2,519	2,108	618	(4,112)			
Interest Expense	(8,329)	(8,711)	(7,997)	(7,227)	(6,991)	(6,432)	(5,521)	(6,430)	(6,028)	(4,988)
Federal pass-through expenses	(3,939)	(11,573)	(4,491)	(502)	(261)	(187)	(529)	(122)	(91)	(144)
Other Income	2,037	2,473	1,787	2,518	80	7,773	1,934	4,668	7,412	1,784
Total Non-operating Revenues (Expenses)	192,076	187,564	204,590	196,615	191,311	205,048	206,585	220,878	241,827	232,554
Net Loss before Capital Grants Revenue	(56,437)	(56,242)	(11,922)	(26,757)	(44,288)	(42,988)	(47,978)	(27,681)	(20,085)	(61,158)
Capital Grants Revenue	65,401	48,998	50,360	30,788	27,811	50,736	51,140	64,751	31,180	37,279
Change in Net Position	$8,964	($7,244)	$38,438	$4,031	($16,477)	$7,748	$3,162	$37,070	11,095	(23,879)

TABLE 3

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REVENUES BY SOURCE
LAST TEN YEARS (IN THOUSANDS)
(UNAUDITED)

YEAR	OPERATING	SALES AND USE TAXES	FEDERAL OPERATING GRANTS AND REIMBURSEMENTS	STATE/LOCAL OPERATING GRANTS, REIMBURSEMENTS, AND SPECIAL FARE ASSISTANCE	INVESTMENT INCOME/ (LOSS)	PASS-THROUGH GRANTS REVENUE	OTHER	CAPITAL GRANT INCOME	TOTAL
2008	$ 49,053	$ 168,304	$ 23,189	$ 4,689	$ 2,186	$ 3,939	$ 2,037	$ 65,401	$ 318,798
2009	$ 51,243	$ 154,914	$ 22,553	$ 15,875	$ 460	$ 11,573	$ 2,473	$ 48,998	$ 308,089
2010	$ 47,928	$ 165,026	$ 34,117	$ 6,578	$ 417	$ 4,491	$ 6,449	$ 50,360	$ 315,366
2011	$ 50,677	$ 175,902	$ 20,456	$ 2,070	$ 377	$ 502	$ 5,037	$ 30,788	$ 285,809
2012	$ 51,246	$ 182,355	$ 10,368	$ 2,957	$ 433	$ 262	$ 2,108	$ 27,811	$ 277,540
2013	$ 52,366	$ 190,726	$ 9,178	$ 2,974	$ 210	$ 187	$ 8,391	$ 50,736	$ 314,768
2014	$ 53,733	$ 201,495	$ 10,911	$ 2,265	$ (387)	$ 529	$ 1,934	$ 51,140	$ 321,620
2015	$ 48,808	$ 206,125	$ 14,020	$ 2,206	$ 289	$ 122	$ 4,668	$ 64,751	$ 340,989
2016	$ 48,557	$ 221,850	$ 16,968	$ 1,070	$ 555	$ 91	$ 7,412	$ 31,180	$ 327,683
2017	$ 48,419	$ 217,147	$ 16,059	$ 1,912	$ 640	$ 144	$ 1,784	$ 37,279	$ 323,384

TABLE 4

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

REVENUES AND OPERATING ASSISTANCE - COMPARISON TO INDUSTRY TREND DATA
LAST TEN YEARS
(UNAUDITED)

TRANSPORTATION INDUSTRY (1):

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
YEAR	**FARES**	**OTHER**	**TOTAL**	**STATE & LOCAL**	**FEDERAL**	**TOTAL**	**TOTAL REVENUES**
2008	21.4%	19.0%	40.4%	42.2%	17.4%	59.6%	100.0%
2009	21.5%	18.3%	39.8%	41.2%	19.0%	60.2%	100.0%
2010	—	—	32.8%	26.0%	41.2%	67.2%	100.0%
2011 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2012 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2013 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017 **(4)**	N/A	N/A	N/A	N/A	N/A	N/A	N/A

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
YEAR	**FARES**	**OTHER(2)**	**TOTAL**	**STATE & LOCAL(3)**	**FEDERAL**	**TOTAL**	**TOTAL REVENUES**
2008	19.1%	2.3%	21.4%	69.3%	9.3%	78.6%	100.0%
2009	19.3%	1.6%	20.9%	65.9%	13.2%	79.1%	100.0%
2010	18.4%	1.2%	19.6%	67.1%	13.3%	80.4%	100.0%
2011	17.7%	1.9%	19.6%	62.6%	17.8%	80.4%	100.0%
2012	18.4%	1.0%	19.4%	66.8%	13.8%	80.6%	100.0%
2013	16.6%	2.7%	19.3%	62.0%	18.7%	80.7%	100.0%
2014	16.2%	1.1%	17.3%	63.3%	19.4%	82.7%	100.0%
2015	13.9%	0.4%	14.3%	61.1%	24.6%	85.7%	100.0%
2016	14.3%	0.5%	14.8%	70.5%	14.7%	85.2%	100.0%
2017	14.3%	0.9%	15.2%	68.3%	16.5%	84.8%	100.0%

N/A Not Available

P Preliminary

(1) Source: The American Public Transit Association, APTA 2011 Public Transportation Fact Book, Table 20.

(2) Other miscellaneous revenue includes advertising and concessions, interest income and other non-operating income.

(3) State & local operating assistance include sales and use tax revenues and state operating grants, reimbursements and special fare assistance.

(4) Information no longer available for reporting from APTA

TABLE 5

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

EXPENSES BY FUNCTION
LAST TEN YEARS (IN THOUSANDS)
(UNAUDITED)

YEAR	TRANSPORTATION	MAINTENANCE	GENERAL AND ADMINISTRATIVE	DEPRECIATION	TOTAL OPERATING EXPENSES	INTEREST	FEDERAL PASS-THROUGH EXPENSES	TOTAL EXPENSES
2008	$ 106,447	$ 76,923	$ 68,664	$ 45,531	$ 297,565	$ 8,329	$ 3,939	$ 309,833
2009	$ 102,421	$ 80,586	$ 61,989	$ 50,053	$ 295,049	$ 8,711	$ 11,573	$ 315,333
2010	$ 81,013	$ 69,206	$ 66,258	$ 47,963	$ 264,440	$ 7,997	$ 4,491	$ 276,928
2011	$ 91,767	$ 73,242	$ 61,023	$ 48,017	$ 274,049	$ 7,227	$ 502	$ 281,778
2012	$ 100,331	$ 78,831	$ 59,722	$ 47,961	$ 286,845	$ 6,991	$ 261	$ 294,097
2013	$ 118,471	$ 75,718	$ 57,449	$ 48,764	$ 300,405	$ 6,431	$ 187	$ 307,020
2014	$ 107,067	$ 88,889	$ 63,823	$ 48,517	$ 308,296	$ 5,521	$ 529	$ 314,346
2015	$ 88,874	$ 82,777	$ 78,425	$ 47,291	$ 297,367	$ 6,430	$ 122	$ 303,919
2016	$ 102,953	$ 89,821	$ 69,861	$ 47,834	$ 310,469	$ 6,028	$ 91	$ 316,588
2017	$ 111,011	$ 100,608	$ 80,579	$ 49,933	$ 342,131	$ 4,988	$ 144	$ 347,263

TABLE 6

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING EXPENSES - COMPARISON TO INDUSTRY TREND DATA
LAST TEN YEARS
(UNAUDITED)

TRANSPORTATION INDUSTRY (1):

YEAR	LABOR AND FRINGES		MATERIALS AND SUPPLIES		SERVICES		UTILITIES		SELF-INSURANCE CLAIMS		PURCHASED TRANSPORTATION		OTHER		TOTAL OPERATING EXPENSES**	
2008	63.9	%	12.8	%	6.3	%	3.4	%	2.2	%	13.7	%	-2.3	%	100.0	%
2009	64.8	%	11.3	%	6.6	%	3.5	%	2.3	%	14.0	%	-2.5	%	100.0	%
2010	65.2	%	10.7	%	6.6	%	3.4	%	2.6	%	13.8	%	-2.3	%	100.0	%
2011	65.0	%	11.4	%	6.6	%	3.3	%	2.6	%	13.3	%	-2.2	%	100.0	%
2012	64.0	%	11.7	%	6.9	%	3.2	%	2.2	%	13.9	%	-1.9	%	100.0	%
2013	60.7	%	11.2	%	7.1	%	3.1	%	2.4	%	13.7	%	1.8	%	100.0	%
2014	61.1	%	11.0	%	6.9	%	3.2	%	2.5	%	13.6	%	1.7	%	100.0	%
2015	61.1	*	11.0	*	6.9	*	3.2	*	2.5	*	13.6	*	1.7	*	100.0	*
2016	61.1	*	11.0	*	6.9	*	3.2	*	2.5	*	13.6	*	1.7	*	100.0	*
2017	61.5	*	9.8	*	7.3	*	3.0	*	2.5	*	14.2	*	1.7	*	100.0	*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

YEAR	LABOR AND FRINGES		MATERIALS AND SUPPLIES		SERVICES		UTILITIES		SELF-INSURANCE CLAIMS		PURCHASED TRANSPORTATION		OTHER		TOTAL OPERATING EXPENSES**	
2008	68.0	%	14.3	%	4.1	%	4.8	%	4.7	%	1.7	%	2.4	%	100.0	%
2009	70.1	%	14.5	%	4.8	%	4.0	%	3.7	%	1.8	%	1.1	%	100.0	%
2010	72.5	%	10.0	%	5.2	%	4.1	%	3.8	%	2.2	%	2.2	%	100.0	%
2011	68.1	%	15.4	%	5.7	%	3.2	%	4.3	%	2.3	%	1.0	%	100.0	%
2012	68.2	%	14.6	%	6.4	%	2.8	%	2.8	%	2.8	%	2.4	%	100.0	%
2013	68.6	%	14.5	%	5.7	%	2.9	%	2.4	%	3.0	%	2.9	%	100.0	%
2014	69.5	%	15.3	%	6.2	%	2.7	%	1.8	%	3.0	%	1.5	%	100.0	%
2015	72.5	%	12.6	%	6.8	%	2.9	%	0.6	%	3.2	%	1.4	%	100.0	%
2016	75.1	%	10.6	%	5.3	%	2.8	%	2.0	%	3.2	%	1.0	%	100.0	%
2017	77.4	%	9.0	%	5.1	%	2.5	%	1.5	%	2.8	%	1.7	%	100.0	%

* 2014 Statistics used going forward due to no data existing after that time.
** Excludes Depreciation and Interest
Source:

(1) The American Public Transit Association, APTA 2017 Public Transportation Fact Book , Table 1

TABLE 7

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL SALES TAX COLLECTIONS BY INDUSTRY

2010 to 2017

Industry	2010 Amounts Collected	Percentage of Total	2011 Amounts Collected	Percentage of Total	2012 Amounts Collected	Percentage of Total	2013 Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$20,335,975	12.32 %	$22,852,212	12.99 %	$23,022,352	12.63 %	$24,889,779	13.05 %
Miscellaneous Store Retailers	17,476,357	10.59	18,487,401	10.51	19,596,461	10.75	15,105,521	7.92
General Merchandise Stores	14,643,737	8.87	15,195,963	8.64	15,320,790	8.40	16,135,443	8.46
Information (Including Telecommunications)	15,143,351	9.18	15,711,967	8.93	15,819,592	8.68	17,565,890	9.21
Accommodation and Food Services	12,995,998	7.88	13,977,667	7.95	14,733,174	8.08	15,239,030	7.99
Building Material and Garden Equipment and Supplies	9,308,831	5.64	9,764,911	5.55	10,815,046	5.93	9,803,331	5.14
Administrative and Support Services; Waste Management and Remediation Services	6,185,129	3.75	7,062,839	4.02	7,628,146	4.18	8,248,401	4.32
Health and Personal Care Stores	6,281,865	3.81	6,288,287	3.57	6,767,410	3.71	5,395,933	2.83
Clothing and Clothing Accessories Stores	6,783,966	4.11	7,168,223	4.08	7,632,916	4.19	7,850,868	4.12
Real Estate, and Rental and Leasing of Property	4,881,232	2.96	5,120,250	2.91	5,072,860	2.78	5,848,775	3.07
Other Industries	$50,989,893	28.14 %	$54,272,006	28.14 %	$55,945,959	28.14 %	$64,643,308	28.14 %
Total Sales Tax Collection	$165,026,334	100.00 %	$175,901,726	100.00 %	$182,354,706	100.00 %	$190,726,279	100.00 %

Industry	2014 Amounts Collected	Percentage of Total	2015 Amounts Collected	Percentage of Total	2016 Amounts Collected	Percentage of Total	2017 Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$30,949,341	13.05 %	$44,864,815	16.22 %	$32,802,208	11.86 %	$32,877,867	11.89 %
Miscellaneous Store Retailers	18,808,492	7.93	31,966,486	11.56	45,902,785	16.60	31,302,575	11.32
General Merchandise Stores	20,087,254	8.47	14,164,649	5.12	11,392,428	4.12	16,113,632	5.83
Information (Including Telecommunications)	21,953,991	9.25	20,016,563	7.24	21,161,477	7.65	21,340,648	7.72
Accommodation and Food Services	18,971,924	8.00	19,499,797	7.05	23,413,439	8.47	24,985,605	9.03
Building Material and Garden Equipment and Supplies	12,236,587	5.16	9,911,543	3.58	9,845,157	3.56	13,290,359	4.81
Administrative and Support Services; Waste Management and Remediation Services	10,259,089	4.32	9,804,294	3.55	11,288,301	4.08	11,575,378	4.19
Health and Personal Care Stores	6,711,283	2.83	5,116,705	1.85	4,879,520	1.76	5,306,481	1.92
Clothing and Clothing Accessories Stores	9,764,650	4.12	7,548,894	2.73	6,679,310	2.42	9,675,734	3.50
Real Estate, and Rental and Leasing of Property	7,274,513	3.07	7,287,216	2.64	8,781,291	3.18	9,496,329	3.43
Other Industries	$80,201,920	33.81 %	$79,535,369	28.76 %	$81,633,524	29.52 %	$100,578,166	36.37 %
Total Sales Tax Collection	$237,219,044	100.00 %	$249,716,331	90.30 %	$257,779,440	93.22 %	$276,542,774	100.00 %

(1) (Sources: State of Ohio and Cuyahoga County Fiscal Office).

TABLE 8

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

LEGAL DEBT MARGIN
LAST TEN YEARS (IN THOUSANDS)

(UNAUDITED)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
OVERALL DEBT LIMITATION:										
Total Of All GCRTA Debt Outstanding	$176,340	$166,328	$155,220	$142,080	$169,733	$154,195	$138,366	$136,880	$120,030	$108,415
Exempt Debt	176,340	166,328	155,220	142,080	169,733	154,195	138,366	136,880	120,030	108,415
Net Indebtedness (Voted and Unvoted)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Assessed Valuation Of County - (Collection Year)	$31,732,264	$31,497,061	$29,633,695	$29,826,341	$29,796,665	$27,652,473	$27,694,841	$27,694,841	$27,526,151	$27,623,744
Overall Debt Limitation (%)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5.0% of Estimated Assessed Valuation (Voted and Unvoted Debt Limitation)	1,586,613	1,574,853	1,481,685	1,491,317	1,489,833	1,382,624	1,384,742	1,384,742	1,376,308	1,381,187
Net Indebtedness (Voted and Unvoted) Overall Debt Margin	$1,586,613	$1,574,853	$1,481,685	$1,491,317	$1,489,833	$1,382,624	$1,384,742	$1,384,742	$1,376,308	$1,381,187
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
UNVOTED DEBT LIMITATION:										
Unvoted Debt Limitation - 0.1% of County Assessed Valuation	$31,732	$31,497	$29,634	$29,826	$29,797	$27,652	$27,695	$27,695	$27,526	$27,624
Maximum Aggregate Amount Of Principal and Interest Payable In Any One Calendar Year	(16,586)	(16,365)	(16,365)	(18,377)	(18,902)	(20,788)	(20,676)	(23,013)	(16,919)	16,920
Maximum Annual Debt Service Charges Permitted For New Debt Issuances	($16,586)	($16,365)	($16,365)	($18,377)	($18,902)	($20,788)	($20,676)	($23,013)	($16,919)	$16,920

Sources:
(1) The most current population estimates are as of 9/2016 (Sources: State of Ohio and Cuyahoga County Fiscal Office).
(2) Cuyahoga County Fiscal Officer, Budget Commission – Collection Year Data

TABLE 9

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN YEARS (IN THOUSANDS EXCEPT PER CAPITA AMOUNTS) (UNAUDITED)

YEAR	POPULATION (1)	ASSESSED VALUE (2)	GENERAL BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
2008	1,284	$ 31,732,264	$ 176,340	0.56	$ 137.34
2009	1,276	$ 31,497,060	$ 166,328	0.53	$ 130.35
2010	1,280	$ 29,633,695	$ 155,220	0.52	$ 121.27
2011	1,270	$ 29,826,341	$ 142,080	0.48	$ 111.87
2012	1,285	$ 29,796,665	$ 110,955	0.37	$ 86.35
2013	1,263	$ 27,652,473	$ 97,910	0.35	$ 77.52
2014	1,260	$ 27,694,841	$ 54,965	0.20	$ 43.62
2015	1,260	$ 27,694,841	$ 18,680	0.07	$ 14.83
2016	1,256	$ 27,526,151	$ 3,910	0.01	$ 3.11
2017	1,249	$ 27,623,744	$ 1,995	0.01	$ 1.60

Sources:
(1) The most current population estimates are as of 9/2016 (Sources: State of Ohio and Cuyahoga County Fiscal Office).
(2) Cuyahoga County Fiscal Officer, Budget Commission – Collection Year Data

TABLE 10

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

RATIO OF OUTSTANDING DEBT TYPE (1)
LAST TEN YEARS (IN THOUSANDS EXCEPT PER PERSONAL INCOME AND PER CAPITA AMOUNTS)
(UNAUDITED)

YEAR	GENERAL OBLIGATION BONDS	STATE INFRASTRUCTURE LOAN	CAPITAL LEASE	NOTES	SALES TAX REVENUE BONDS	TOTAL DEBT	PREMIUM	PERCENTAGE OF PERSONAL INCOME*	BONDED DEBT PER CAPITA*
2008	$ 176,340	$ 3,575	$ 23,684	$	$	$ 203,599	$ 6,587	6.27	$ 137.34
2009	$ 166,328	$ 3,303	$ 22,308	$ 8,000	$	$ 199,939	$ 6,106	5.99	$ 130.35
2010	$ 155,220	$ 2,460	$ 20,870	$	$	$ 178,550	$ 5,624	5.35	$ 121.27
2011	$ 142,080	$	$ 19,366	$	$	$ 161,446	$ 5,142	4.75	$ 111.87
2012	$ 110,955	$	$ 17,793	$	$ 40,985	$ 169,733	$ 11,967	4.93	$ 86.35
2013	$ 97,910	$	$ 16,150	$	$ 40,135	$ 154,195	$ 10,893	4.53	$ 77.52
2014	$ 54,965	$	$ 14,431	$	$ 68,970	$ 138,366	$ 11,899	4.07	$ 43.62
2015	$ 18,680	$	$	$	$ 118,200	$ 136,880	$ 19,202	3.80	$ 14.83
2016	$ 3,910	$	$	$	$ 116,120	$ 120,030	$ 20,293	2.47	$ 3.11
2017	$ 1,995	$	$	$	$ 106,420	$ 108,415	$ 18,462	2.24	$ 1.60

(1) See Table 13 for personal income and per capita data.

	PERSONAL INCOME (2)	POPULATION
2008	$ 32,464	1,284
2009	$ 33,353	1,276
2010	$ 33,353	1,280
2011	$ 33,979	1,270
2012	$ 34,458	1,285
2013	$ 33,981	1,263
2014	$ 35,333	1,260
2015	$ 35,985	1,260
2016	$ 48,521	1,256
2017	$ 48,506	1,249

Source:
(2) Ohio Office of Research – The Metropolitan Statistical Area (MSA), as defined by the Department of Development includes Lake, Geauga, Medina, and Cuyahoga Counties

TABLE 11

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (IN THOUSANDS)
DECEMBER 31, 2017
(UNAUDITED)

	GROSS DEBT	PERCENT APPLICABLE	ENTITY SHARE
Greater Cleveland Regional Transit Authority	$108,415	100.00%	$108,415
Cuyahoga County	226,090	100.00%	$226,090
Cities Wholly with the County	864,398	100.00%	$864,398
Village Wholly with the County	22,874	100.00%	$22,874
Townships Wholly with the County	1,470	100.00%	$1,470
All School Districts Wholly with in the County	925,922	100.00%	$925,922
Olmsted Falls S.D.	21,510	96.29%	$20,712
Strongsville S.D.	78,507	99.74%	$78,303
Chagrin Falls S.D.	15,280	63.78%	$9,746
Total Overlapping Debt			$2,257,929

Source: Cuyahoga County Budget Commission

TABLE 12

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

LONG-TERM DEBT COVERAGE
LAST TEN YEARS (IN THOUSANDS)

(UNAUDITED)

YEAR	GROSS REVENUES (1)	EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
2008	$ 253,398	$ 255,974	$ (2,576)	$ 9,968	$ 7,194	$ 17,162	(15.0) %
2009	$ 259,092	$ 256,569	$ 2,523	$ 10,012	$ 7,700	$ 17,712	14.2 %
2010	$ 265,006	$ 220,968	$ 44,038	$ 11,108	$ 7,565	$ 18,673	235.8 %
2011	$ 255,021	$ 226,534	$ 28,487	$ 14,643	$ 7,668	$ 22,311	127.7 %
2012	$ 249,808	$ 235,431	$ 14,377	$ 15,562	$ 7,630	$ 23,192	62.0 %
2013	$ 264,033	$ 251,848	$ 12,185	$ 15,539	$ 7,634	$ 23,173	52.6 %
2014	$ 266,368	$ 260,695	$ 5,673	$ 17,112	$ 5,985	$ 23,097	24.6 %
2015	$ 276,238	$ 250,198	$ 26,040	$ 16,975	$ 6,038	$ 23,013	113.2 %
2016	$ 296,504	$ 262,726	$ 33,778	$ 11,615	$ 5,302	$ 16,917	199.7 %
2017	$ 286,105	$ 292,198	$ (6,093)	$ 11,945	$ 4,975	$ 16,920	(36.0) %

(1) Total revenues include interest and other non-operating revenues.

(2) Total expenses exclusive of depreciation, loss on disposal of assets and interest expense.

TABLE 13

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS
(UNAUDITED)

YEAR	COUNTY POPULATION	MSA (3)	WAGE INCOME (2) (IN THOUSANDS)	PER CAPITA PERSONAL INCOME (2)
2008	1,283,925	1,783,918	$ 32,464,044	$ 25,285
2009	1,275,709	1,783,918	$ 33,353,412	$ 26,145
2010	1,280,122	1,775,884	$ 33,353,412	$ 26,055
2011	1,270,294	1,766,669	$ 33,979,191	$ 26,263
2012	1,285,279	1,779,827	$ 33,458,329	$ 26,810
2013	1,263,154	1,761,898	$ 33,981,368	$ 26,902
2014	1,259,828	1,759,382	$ 35,333,174	$ 28,402
2015	1,259,828	1,759,382	$ 35,984,938	$ 28,559
2016	1,255,921	2,060,810	$ 37,099,761	$ 29,518
2017	1,249,352	2,055,612	$ 34,524,071	$ 29,143

AGE DISTRIBUTION (1)

	NUMBER	PERCENTAGE
Under 5 years	72,765	5.8%
5 – 9 yrs	71,024	5.7
10 – 14 yrs	73,353	5.9
15 – 19 yrs	78,026	6.2
20 – 24 yrs	82,756	6.6
25 – 34 yrs	169,814	13.6
35 – 44 yrs	142,501	11.4
45 – 54 yrs	164,461	13.2
55 – 59 yrs	95,367	7.6
60 – 64 yrs	84,871	6.8
65 – 74 yrs	116,776	9.3
75 – 84 yrs	63,640	5.1
85 yrs and over	33,998	2.8
TOTAL	1,249,352	100.0%
Median age		40
Males		595,477
Females		653,875

DISTRIBUTION OF HOUSEHOLDS BY INCOME BRACKET (1)

INCOME (2)	NUMBER	PERCENTAGE
$0 – 19,999	$ 128,548	24.0%
$20,000 – 29,999	62,373	11.7
$30,000 – 49,999	101,648	19.0
$50,000 – 99,999	145,140	27.1
$100,000 -199,999	75,908	14.2
OVER $200,000	21,102	4.0
TOTAL	534,719	100.0%
MEDIAN HOUSEHOLD INCOME	$ 44,190	

Source:
(1) Ohio Office of Research
(2) United States Census Bereau - The Metropolitan Statistical Area (MSA), as defined by the Department of Development includes Lake, Geauga, Medina, and Cuyahoga Counties
(3) Cuyahoga County Planning Commissioin

(continued)

TABLE 13 (continued)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS (continued)
LAST TEN YEARS (continued)

EMPLOYMENT-ANNUAL AVERAGE (1):

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Civilian Labor Force	644,200	625,600	631,700	624,600	621,500	621,800	624,300	624,300	610,000	610,900
Total Employed	604,200	571,100	577,900	577,000	579,100	577,500	584,400	584,400	579,500	575,100
Total Unemployed	40,000	54,500	53,800	47,600	42,400	44,300	39,900	39,900	30,500	35,800
Unemployment Rate	6.2%	8.7%	8.5%	7.6%	6.8%	7.1%	6.4%	6.4%	5.0%	5.9%

Note: 2010-2017 data are subject to revision until the release on April 24, 2018, due to the BLS annual process.

EMPLOYMENT BY SECTOR (2):
(Amounts in 000's)

	MANUFACTURING		WHOLESALE RETAIL TRADE		PROFESSIONAL AND RELATED SERVICES		FEDERAL, STATE AND LOCAL GOVERNMENT		FINANCE, INSURANCE, REAL ESTATE		TRANSPORTATION AND PUBLIC UTILITIES		OTHER		TOTAL	
YEAR	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
2008	79.8	10.9	105.6	14.4	330.0	44.9	98.2	13.3	57.1	7.8	23.5	3.2	40.5	5.5	734.7*	100.0
2009	65.8	9.6	97.3	14.1	319.1	46.4	95.9	13.9	53.9	7.8	21.2	3.1	35.1	5.1	688.3*	100.0
**2010	65.8	9.6	97.3	14.1	319.1	46.4	95.9	13.9	53.9	7.8	21.2	3.1	35.1	5.1	688.3*	100.0
2011	76.3	12.8	81.3	13.7	267.9	45.1	80.7	13.6	50.6	8.5	26.9	4.5	10.8	1.8	594.5	100.0
2012	73.2	12.5	81.2	13.8	252.8	43.1	77.9	13.3	48.4	8.2	26.2	4.5	26.7	4.6	586.4*	100.0
2013	72.7	12.7	76.6	13.4	253.9	44.3	74.1	12.9	45.5	7.9	25.8	4.6	24.0	4.2	572.6*	100.0
2014	74.3	12.9	76.1	13.2	262.1	45.4	69.5	12.0	47.5	8.2	22.5	3.9	25.5	4.4	577.5*	100.0
2015	70.5	12.3	76.3	13.3	260.5	45.3	72.1	12.5	45.4	7.9	24.5	4.3	25.8	4.4	575.1*	100.0
2016	71.8	12.5	76.7	13.3	275.2	47.7	59.5	10.3	45.3	7.9	24.5	4.2	23.6	4.1	576.6	100.0
2017	74.2	12.7	77.4	13.3	276.7	47.5	60.2	10.3	45.8	7.9	24.8	4.3	23.0	4.0	582.1	100.0

Sources:

(1) Ohio Office of Research

(2) U.S. Census Bureau - American Fact Finder
* Difference due to non-County residents employed in County.
** Fiscal Year 2010 data not available, Fiscal Year 2009 used

TABLE 14

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL EMPLOYERS

2017 AND 2008

2017

Employer	Nature of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	41,622	6.8%
Minute Men Cos.	Staffing & Employment Services	38,600	6.3%
University Hospitals Health System	Health Care	21,751	3.6%
U.S. Office of Personnel Management	Federal Government	14,894	2.4%
Group Management Services, Inc.	Professional employer organization	11,341	1.9%
Progressive Corporation	Insurance & financial company	10,045	1.6%
Giant Eagle Inc.	Multi-format food, fuel & pharmacy	8,641	1.4%
State of Ohio	State government	8,159	1.3%
Cuyahoga County	County government	7,397	1.2%
Area Temps Inc.	Staffing & Employment Services	7,000	1.1%
	Total	169,450	27.7%
	Total County Employment	610,900	

2008

			Percentage of Total County
Cleveland Clinic Health System	Health Care	32,415	5.4%
U.S. Office of Personnel Management	Federal Government	13,101	2.2%
University Hospitals Health System	Health Care	10,904	1.8%
Cuyahoga County	County Government	9,566	1.6%
Group Management Services	PEO	9,486	1.6%
Progressive Corporation	Insurance	9,057	1.5%
Summa Health System	Health Care Provider	8,923	1.5%
Giant Eagle Inc.	Grocery Store Chain	8,800	1.5%
United States Postal Services	U.S. Postal Services	8,032	1.3%
City of Cleveland	Municipal Government	7,950	1.3%
	Total	118,234	19.6%
	Total County Employment	601,800	

Sources: Crain's Cleveland Business - Book of December 31, 2007
Ohio Labor Market Information http://ohiolmi.com (Data Tab-Employment and Wages by Industry Query)

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING STATISTICS (1)
LAST TEN YEARS
(UNAUDITED)

	2008	2009	2010	2011	2012**	2013	2014	2015***	2016	2017*
SYSTEM RIDERSHIP:										
Motor Bus	46,623,903	38,214,315	35,895,427	37,198,763	33,857,969	34,325,962	34,426,847	32,810,537	30,156,644	26,711,874
Heavy Rail	7,639,381	4,491,171	3,657,501	5,687,891	6,240,495	6,423,366	6,203,837	6,438,252	6,417,590	5,904,814
Light Rail	3,261,923	2,365,851	2,315,662	2,745,106	2,856,379	2,897,940	2,779,158	2,608,770	2,468,330	2,114,753
Demand Responsive	385,310	410,770	550,711	579,072	647,031	704,502	751,529	702,538	633,601	593,654
BRT (Bus Rapid)**					4,629,200	4,854,519	5,084,513	4,461,433	4,609,436	4,219,838
AVERAGE WEEKDAY SYSTEM RIDERSHIP:										
Motor Bus	166,364	142,631	122,662	124,343	113,662	93,675	112,878	107,734	100,708	89,554
Heavy Rail	20,914	17,816	11,405	18,495	21,493	17,529	18,037	18,744	18,740	17,284
Light Rail	11,432	9,804	7,592	9,560	9,838	7,908	7,614	8,456	8,151	7,061
Demand Responsive	1,778	1,867	1,769	1,868	2,067	2,284	2,373	2,281	2,031	1,848
BRT (Bus Rapid)**					15,541	13,248	16,671	14,541	14,445	14,212
AVERAGE WEEKDAY MILES OPERATED:										
Motor Bus	71,674	65,803	51,308	48,983	39,810	41,440	42,561	43,691	42,744	47,722
Heavy Rail	3,443	5,381	2,796	5,233	5,759	6,887	7,395	7,379	7,813	7,485
Light Rail	2,464	2,380	2,025	2,042	2,008	2,331	2,523	2,561	2,320	2,015
Demand Responsive	8,072	12,752	15,322	16,161	15,160	15,604	16,682	16,614	16,738	21,329
BRT (Bus Rapid)**					2,096	2,007	2,025	1,835	1,821	1,852
REVENUE MILES:										
Motor Bus	18,664,990	17,042,385	13,310,980	12,616,043	12,224,802	12,968,260	13,236,263	13,416,573	13,188,669	12,823,852
Heavy Rail	2,046,862	1,789,025	953,985	1,766,922	1,989,328	2,414,910	2,432,606	2,528,661	2,661,224	2,611,263
Light Rail	799,595	756,929	661,218	715,539	699,039	785,351	830,016	844,272	776,474	683,721
Demand Responsive	2,106,558	3,395,154	4,285,442	4,560,276	4,821,868	4,978,261	5,187,971	5,311,937	5,343,934	5,446,387
BRT (Bus Rapid)**					688,062	648,031	641,081	604,862	595,789	593,086
PASSENGER MILES:										
Motor Bus	174,137,020	132,223,514	136,352,946	139,878,118	144,368,655	144,546,103	144,877,313	143,016,054	124,284,327	112,204,045
Heavy Rail	54,293,150	31,419,638	25,889,384	39,448,214	43,551,128	44,109,511	41,266,566	43,869,205	41,530,858	37,907,589
Light Rail	19,271,305	13,642,884	13,611,220	16,762,697	16,938,794	17,332,817	16,450,357	15,113,234	14,721,876	12,789,989
Demand Responsive	2,856,607	4,187,788	3,940,975	4,134,106	4,572,942	4,964,438	7,274,713	5,989,622	4,993,531	4,892,499
BRT (Bus Rapid)**					11,748,318	12,837,586	13,277,273	10,538,255	11,641,456	10,429,796

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING STATISTICS (1)
LAST TEN YEARS (Continued)
(UNAUDITED)

	2008	2009	2010	2011	2012**	2013	2014	2015***	2016	2017*
ENERGY CONSUMPTION:										
Motor Bus										
(gallons of fuel)	5,322,578	4,998,777	3,882,866	4,429,201	3,901,523	3,992,940	4,066,716	3,188,219	N/A	N/A
(gallons of compressed natural gas)***	230,813	55,495						304,409	N/A	N/A
Heavy Rail										
(kilowatt hours)	28,414,691	26,150,410	24,000,051	26,024,462	25,319,115	25,091,622	24,651,213	22,660,795	N/A	N/A
Light Rail										
(kilowatt hours)	11,422,839	11,286,050	12,975,110	11,912,103	9,836,196	12,982,816	11,821,324	12,157,153	N/A	N/A
Demand Responsive										
(gallons of fuel)	307,883	463,192	531,510	573,563	634,019	650,749	608,858	664,335	N/A	N/A
BRT (Bus Rapid)**										
(gallons of fuel)					297,054	306,899	299,018	278,075	N/A	N/A
FLEET REQUIREMENT										
DURING PEAK HOURS:										
Motor Bus	469	424	322	310	303	350	350	350	350	286
Heavy Rail	22	22	22	18	20	20	20	20	20	20
Light Rail	17	17	17	13	13	14	14	13	13	13
Demand Responsive	73	122	102	116	134	131	137	147	148	153
BRT (Bus Rapid)**					16	16	16	16	14	13
TOTAL ACTIVE VEHICLES										
DURING PERIOD:										
Motor Bus	556	506	405	403	399	391	391	375	378	361
Heavy Rail	60	60	60	44	60	60	60	40	40	40
Light Rail	48	48	48	33	48	48	48	34	48	34
Demand Responsive	86	129	120	120	146	146	158	159	166	170
BRT (Bus Rapid)**					21	21	21	21	24	21
NUMBER OF EMPLOYEES:	2,577	2,374	2,115	2,103	2,188	2,033	2,073	2,257	2,215	2,196

Source:
(1) National Transit Database Report, Urban Mass Transportation Act of 1964
*2017 data is preliminary
**2012 is the first year BRT is being reported as a category
***2015 is the first year for CNG
N/A - No longer required or tracked by NTD for Energy Consumption category

TABLE 16

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING INFORMATION-CAPITAL ASSETS
FISCAL YEAR 2008 THROUGH FISCAL YEAR 2017 (IN THOUSANDS)
(UNAUDITED)

YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Capital Assets Not Being Depreciated										
Land	$ 34,665	$ 38,563	$ 38,671	$38,510	$36,924	$37,818	$37,813	$37,813	$37,813	$37,514
Construction in Progress	19,680	25,671	36,649	20,849	23,015	25,955	22,258	59,522	74,819	61,415
Total Capital Assets Not Being Depreciated	54,345	64,234	75,320	59,359	59,939	63,773	60,071	97,335	112,632	98,929
Capital Assets Being Depreciated:										
Infrastructure	58,189	62,285	62,879	63,009	63,192	63,233	63,461	63,461	63,461	65,654
Right of Ways	270,116	272,712	272,723	274,334	274,725	301,660	308,716	309,264	309,454	314,759
Building, Furniture & Fixtures	442,177	445,019	454,569	481,619	492,407	502,685	537,706	546,140	548,211	578,819
Transportation and Other Equipment	419,449	430,335	411,981	405,618	413,275	421,138	441,898	470,713	486,818	501,862
Bus Rapid Transit	157,845	162,440	162,334	162,353	162,344	162,344	163,027	163,102	163,516	163,605
Total Capital Assets Being Depreciated	1,347,776	1,372,791	1,364,486	1,386,933	1,405,943	1,451,060	1,514,808	1,552,680	1,571,460	1,624,699
Less Accumulated Depreciation:										
Infrastructure	11,481	12,715	14,045	15,376	16,712	18,051	19,513	21,076	22,522	23,612
Right of Ways	136,439	143,051	149,682	156,323	162,952	169,671	176,783	183,671	190,045	196,441
Building, Furniture & Fixtures	199,129	212,919	226,864	241,529	256,743	272,465	289,075	307,161	325,074	343,871
Transportation and Other Equipment	274,720	288,002	272,139	285,804	306,696	327,277	345,488	359,502	369,831	381,692
Bus Rapid Transit	557	4,119	7,727	11,334	14,942	18,549	22,160	25,784	29,413	33,047
Total Accumulated Depreciation:	622,326	660,806	670,457	710,366	758,045	806,013	853,019	897,194	936,885	978,663
Net Capital Assets Being Depreciated	725,450	711,985	694,029	676,567	647,898	645,047	661,789	655,486	634,575	646,036
Net Capital Assets, End of Year	$ 779,795	$ 776,219	$ 769,349	$ 735,926	$ 707,837	$ 708,820	$ 721,860	$ 752,821	$ 747,207	$ 744,965

Source: Greater Cleveland Regional Transit 2017 Financial Statements

TABLE 17

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

FAREBOX RECOVERY PERCENTAGE
LAST TEN YEARS
(UNAUDITED)

YEAR	PERCENTAGE
2008	19.5%
2009	20.9
2010	22.4
2011	22.5
2012	21.8
2013	21.1
2014	20.6
2015	19.5
2016	18.5
2017	16.6

NOTE – Represents operating revenues divided by operating expenses before depreciation.

FARE STRUCTURE
DECEMBER 31, 2017

Cash Fares	
Bus/Rapid/BRT	$2.50
Senior/Disabled	$1.25
Park-N-Ride Bus	$2.75
Trolley	$0.00
Student Fare	$1.75
Paratransit	$2.75
Out of County	$3.75

Farecards - 5 Trip	
Bus/Rapid/BRT	$12.50
Senior/Disabled	$6.25
Paratransit	$13.75
Park-N-Ride Bus	$13.75
Student K-12	$8.75
Trolley	$0.00

Monthly Passes	
Bus/Rapid/BRT	$95.00
Senior/Disabled	$48.00
Park-N-Ride Bus	$105.00
Paratransit	$110.00

7 Day Passes	
Bus/Rapid/BRT	$25.00
Senior/Disabled	$12.50
Park-N-Ride Bus	$27.50
Paratransit	$30.00

Daily Passes	
Bus/Rapid/BRT	$5.50
Senior/Disabled/Child	$2.75
Student K-12	$4.50
Paratransit	$7.50

Cleveland Passes	
One Day	$5.50
Two Day	$11.00
Four Day	$22.00

Up to three children under 6 yrs. of age with adult ride free
Paratransit fare media rates changed effective August 15, 2017.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
1240 WEST SIXTH STREET
CLEVELAND, OHIO 44113-1302

rideRTA.com