Greater Cleveland Regional Transit Authority

Comprehensive Annual Financial Report for the Years Ended December 31, 2018 and 2017 Cuyahoga County, Ohio

Comprehensive Annual Financial Report

For the Years Ended December 31, 2018 and 2017

Greater Cleveland
Regional Transit Authority
Cuyahoga County, Ohio

Dennis M. Clough President Board of Trustees	Floun'say R. Caver, Ph.D. Interim CEO, General Manager/ Secretary - Treasurer

Prepared By:
Division of Finance and Administration
General Accounting

2018

INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION

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, 2017

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, 2017. This was the thirtieth 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
1240 West 6th Street
Cleveland, OH 44113-1331
Phone 216 566-5100
website: www.rideRTA.com

June 18, 2019

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, 2018. This is the thirty-first 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 Authority'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 has been 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.

Keith Faber, Auditor of State of Ohio, has issued an unmodified opinion on the Authority's financial statements for the year ended December 31, 2018. 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 Authority. 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 Authority 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 Authority is considered to be a jointly governed organization.

Responsibility for the line administration rests with the Interim 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, Information Technology and the Marketing and Communications department function outside of the divisional configuration and report directly to the Interim General Manager. The Internal Audit Department reports to the Board of Trustees and maintains a close working relationship with the Interim General Manager. An organizational chart, which depicts these relationships, follows later in this introductory section.

The Authority had 2,138 employees as of December 31, 2018. The system delivered 12.8 million revenue miles of bus service and 3.3 million revenue miles on its heavy and light rail systems. The active service fleet was composed of 403 motor bus coaches, 40 heavy rail cars, 34 light rail cars, and 142 Paratransit vehicles and 7 van pool vehicles.

The annual cash-basis operating budget is proposed by management, at the division and department levels, 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 Authority 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 Authority'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 1.24 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 2018 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 $27.9 billion. This process is the foundation for property taxation, and it sets the debt limitation for the Authority.

CURRENT YEAR REVIEW

In 2018, the Authority continued its pursuit to provide Greater Clevelanders with unparalleled connectivity, along with high quality service design and delivery.

This included:

- Continuing the purchase of new buses that emit fewer greenhouse gases and less nitrous oxide pollution than the current diesel buses, while contributing to the Authority's sustainability commitment to the community-at-large.
- Gaining approval from the FTA for the Triskett Garage CNG Improvement project.
- Placing over 30 new Paratransit vehicles into service.
- Completing several rail and station improvement projects.

During 2018, RTA:

- Celebrated the 10th Anniversary of the HealthLine. The region's first Bus Rapid Transit (BRT).
- Celebrated the 50th Anniversary of the Red Line. The first direct public transit rail service between a city's Downtown district and an international airport.
- Received the APTA Gold Award for Bus Safety and Security.

- Received Group Award for Safety from Ohio Bureau of Workers' Compensation.
- Named "Government Fleet of the Year" by Fleet Owner Magazine.

2018 was a year of transition for the Authority. In September 2018, the Board of Trustees named Floun'say R. Caver, Ph.D. the Interim CEO/General Manager. Shortly after that, several strategic planning studies were started or advanced. These studies (Pillar Studies) include an economic impact study, a fare study, a rail car study, an efficiency study and a system redesign study. These studies should be completed in 2019.

PRESENT AND FUTURE PLANS

In addition to the Pillar Studies now underway, 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, Maple Heights, Parma Mall and the Stephanie Tubbs Jones Transit 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.

Paratransit Facility – The Paratransit Facility, including a propane fueling station, houses all Paratransit functions including scheduling, dispatching and both revenue and non-revenue repairs.

CAPITAL IMPROVEMENT PLAN

The development of the 2018 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 2022. Totaling $432.43 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 - $106.24 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 $2.95 million, $22 million for various track rehabilitation projects, and $10.15 million for substation, electrical, and train signal improvements throughout they system.

Bridge Rehabilitation and Other Facility Improvements - $33.53 million

Funding has been provided for the rehabilitation of track bridges and includes State of Good Repair projects and other facility improvements totaling $33.53 million.

Bus Purchases, Paratransit Vehicles and Circulator Bus- $123.94 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 - $1.50 million

The Authority will make an investment in the construction of Transit Centers over the next five years of $1.50 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- $39.30 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 - $27.92 million

Classified as Routine Capital Projects ($8.28 million) and Asset Maintenance projects ($9.17 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.

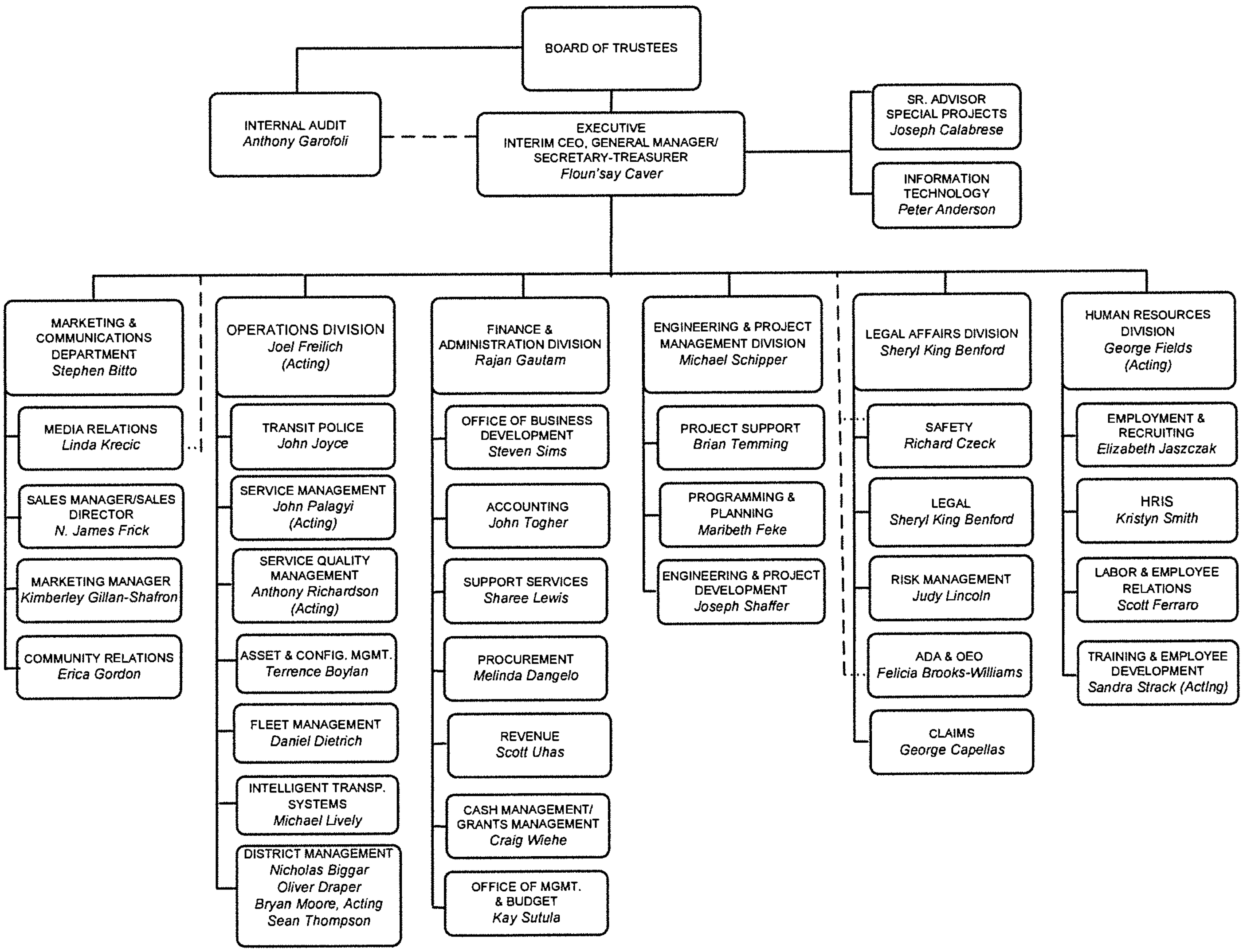
Acknowledgments

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

Floun'say R. Caver, Ph.D.
Interim Chief Executive Officer,
General Manager/
Secretary-Treasurer

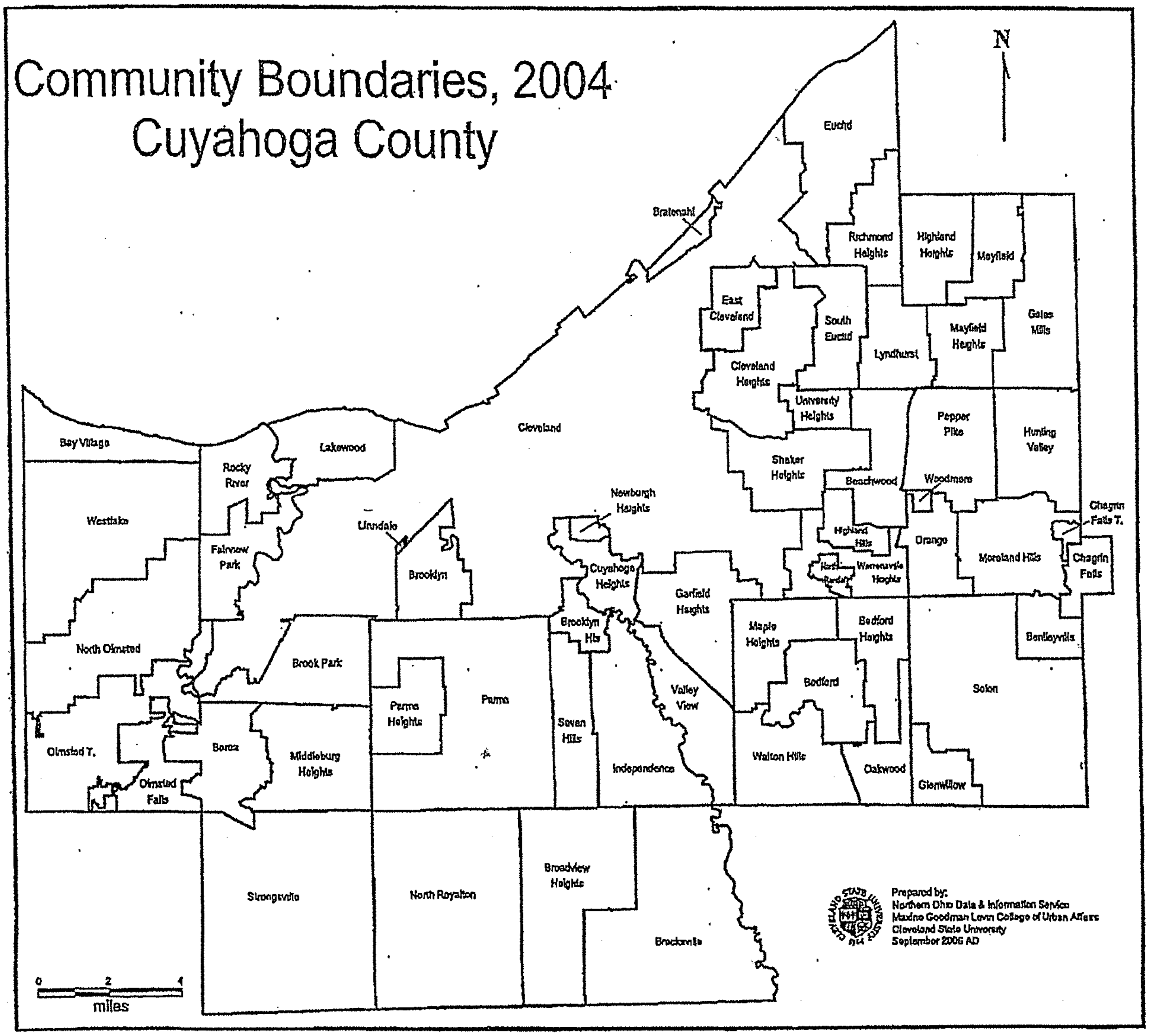
Rajan D. Gautam, CPA
Deputy General Manager,
Finance & Administration

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
Organizational Chart as of December 31, 2018



Board of Trustees and Executive Management Team

Cuyahoga County
Cleveland, Ohio



This page intentionally left blank

2018

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS AND NOTES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OHIO AUDITOR OF STATE
KEITH FABER

Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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, 2018 and 2017, 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, Ohio, as of December 31, 2018 and 2017, and the changes in 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2018, the Authority adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Also as discussed in Note 2 to the financial statements, the Authority did not restate the financial statements for the year ended December 31, 2017 for the implementation of this statement. The financial statements for the year ended December 31, 2017 were presented based on GASB Statement No. 45. We did not modify our opinion regarding this matter.

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 and other post-employment benefit liabilities and pension and other post-employment benefit 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 will also issue our report dated June 18, 2019, 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.

Keith Faber
Auditor of State

Columbus, Ohio

June 18, 2019

This page intentionally left blank

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, 2018 and December 31, 2017. 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 $67.5 million (12.0%) in 2018 compared to 2017 due to the implementation of Government Accounting Standards Board (GASB) Statement number 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pension," which is discussed in detail in Note 7 of the financial statements. Net position decreased by $23.9 million (4.0%) in 2017 compared to 2016.

- Current assets decreased by $23.2 million (17.5%) in 2018 compared to 2017. This decrease is primarily due to a reduction in unrestricted and restricted investments. Current assets decreased by $6.1 million (4.4%) in 2017 compared to 2016.

- Current liabilities decreased by $14.4 million (20.7%) in 2018 compared to 2017. Current liabilities increased by $9.8 million (16.4%) in 2017 compared to 2016.

- The Authority's non-current liabilities increased by $10.0 million (2.6%) in 2018 compared to 2017. Non-current liabilities increased by $45.8 million (13.6%) in 2017 compared to 2016.

- Implementation of GASB 75 in the current fiscal year resulted in a restatement of net position from the prior year of $101.6 million to record the related retiree health care liabilities as of December 31, 2018.

- Favorable investment returns and changes in assumptions for the measurement period in the State's pension system (OPERS) resulted in reducing pension liabilities by $84.1 million which reduced employee benefit expenses by approximately $40.9 million in fiscal year 2018.

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,		
	2018	**2017**	**2016**
Assets and Deferred Outflows of Resources:			
Current assets	$ 109.0	$ 132.2	$ 138.3
Other noncurrent assets	85.5	46.8	26.2
Capital assets (net of accumulated depreciation)	741.7	744.9	747.2
Total Assets	936.2	923.9	911.7
Deferred Outflows of Resources	54.1	94.5	77.4
Total Assets and Deferred Outflows of Resources:	990.3	1,018.4	989.1
Liabilities and Deferred Inflows of Resources:			
Current liabilities	55.1	69.5	59.7
Noncurrent liabilities	393.2	383.2	337.4
Total Liabilities	448.3	452.7	397.1
Deferred Inflows of Resources	45.1	1.3	3.7
Total Liabilities and Deferred Inflows of Resources:	493.4	454.0	400.8
Net position:			
Net Investment in Capital Assets	630.4	621.3	611.6
Restricted	15.6	21.4	42.8
Unrestricted	(149.1)	(78.3)	(66.1)
Total Net position	496.9	564.4	588.3
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 990.3	$ 1,018.4	$ 989.1

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 $496.9 million as of December 31, 2018, which is a $67.5 million decrease from year ended December 31, 2017. This decrease is primarily due to the implementation of GASB 75, OPEB, (see Note 8). Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $564.4 million for the year ended, December 31, 2017, which is a $23.9 million decrease from year ended December 31, 2016.

Government Accounting Standards and the effect of GASB Pension and OPEB Liabilities

The Authority adheres to the Government Accounting Standards Board standards and apply these standards in preparing the Authority's financial reports. Prior reporting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This funding approach limited pension costs to contributions annually required by law. GASB 68 and GASB 75 both take an earnings approach to pension and postemployment accounting.

Under the earnings approach, the GASB 68 and GASB 75 established the net pension and postemployment liability equal to the Authority's proportionate share of each plan's collective present value of estimated future pension and OPEB benefits attributable to active and inactive employees past service minus plan assets available to pay these benefits. The Authority and its employees contribute to the Ohio Public Employees Retirement System, OPERS.

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 Ohio revised Code permits, but does not require the retirement system to provide healthcare to eligible recipients. 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.

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 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 and GASB 75, the Authority's statements prepared on an accrual basis of accounting include an annual pension expense and annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability not accounted for as deferred inflows/outflows. See disclosure Notes 7 and 8 to the financial statements for additional details on the restatement, see Note 2.

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

Description

	Years Ended December 31, 2018	2017	2016
Operating revenues:			
Passenger fares	$ 45.1	$ 46.4	$ 46.8
Advertising and concessions	2.4	2.0	1.8
Total operating revenues	47.5	48.4	48.6
Operating expenses, excluding depreciation:			
Labor and fringe benefits	(183.0)	(226.2)	(197.1)
Materials and supplies	(25.1)	(26.2)	(27.8)
Services	(15.7)	(14.8)	(13.9)
Utilities	(6.6)	(7.4)	(7.3)
Casualty and liability	(4.3)	(4.5)	(5.3)
Purchased transportation	(9.4)	(8.3)	(8.4)
Leases and rentals	(0.4)	(0.5)	(0.3)
Taxes	(0.8)	(0.5)	(1.4)
Miscellaneous	(1.6)	(3.9)	(1.2)
Total operating expenses before depreciation	(246.9)	(292.3)	(262.7)
Depreciation expense	(48.8)	(49.9)	(47.8)
Total operating expenses	(295.7)	(342.2)	(310.5)
Operating loss	(248.2)	(293.8)	(261.9)
Non-operating revenues (expenses):			
Sales and Use Tax revenue	226.4	217.1	221.9
Federal operating grants and reimbursements	16.1	16.1	16.9
State/local operating grants and reimbursements	1.2	1.9	1.1
Federal pass-through grants revenue	0.2	0.1	0.1
Federal pass-through expenses	(0.2)	(0.1)	(0.1)
Investment income	1.6	0.6	0.5
Interest expense	(4.6)	(4.9)	(6.0)
Other income	9.9	1.8	7.4
Total non-operating revenues	250.6	232.6	241.8
Net gain/(loss) before capital grant revenue	2.4	(61.2)	(20.1)
Capital grants revenue:			
Federal	31.7	37.2	31.1
State		0.1	0.1
Total capital grants revenue	31.7	37.3	31.2
Increase/(Decrease) in net position	34.1	(23.9)	11.1
Net position, beginning of year	564.4	588.3	577.2
Cumulative effect of change in accounting principle (see Note 2)	(101.6)		
Net position, end of year	$ 496.9	$ 564.4	$ 588.3

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, 2018 decreased by $1.3 million (2.8%), compared with that from year ended December 31, 2017. This decrease is attributed to a decline in ridership resulting from lower gasoline prices during 2018. Total ridership declined from 39.6 million in the year ended December 31, 2017 to 35.1 million in the year ended December 31, 2018.

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 a result of the decline in ridership resulting from lower gasoline prices in the area which led to a decrease in total ridership from 43.8 million in the year ended December 31, 2016 to 39.6 million in the year ended December 31, 2017.

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 74.7% of the Authority's revenue for year ended December 31, 2018. Sales tax revenue accounted for 75.9% of the Authority's revenue for year ended December 31, 2017, and for 74.8% for year ended December 31, 2016.

Revenue received from sales and use tax for the year ended December 31, 2018 increased approximately $9.3 million (4.3%) compared to $4.8 million (2.1%) decrease in the year ended December 31, 2017 from the year ended December 31, 2016. The increase included a special state allocation, resulting from 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, 2018, 2017 and 2016, the Authority received approximately $ 16.1 million, $16.1 million, and $16.9 million respectively.

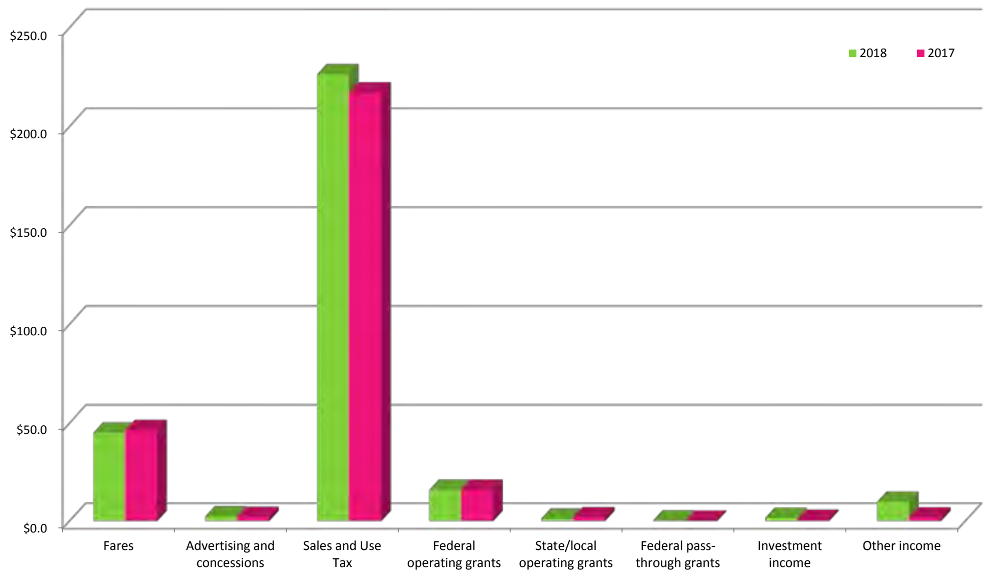
State/Local Operating Grants and Reimbursements – The Ohio Department of Transportation (ODOT) allocates grants for operating assistance and elderly and handicapped programs. This category also includes reimbursement for state fuel taxes paid by the Authority. In the year ended December 31, 2018, the Authority received $1.2 million in this category, a 36.8% decrease from the year ended December 31, 2017. 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.

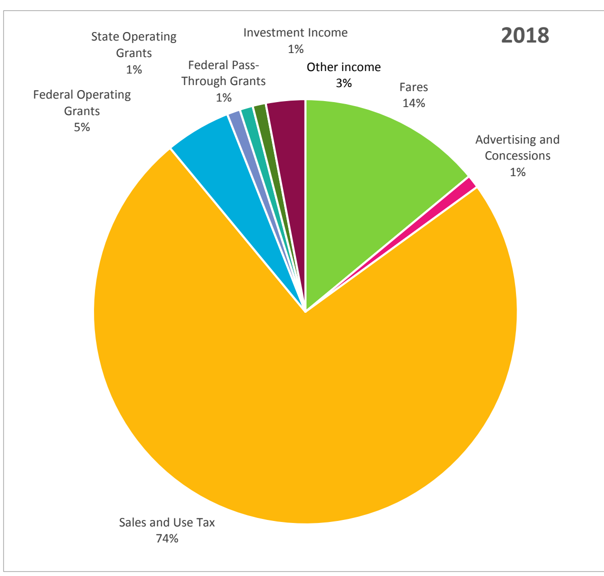
Investment Income – Investment income increased by $1 million (166.7%) in year ended December 31, 2018, compared to an increase of $85,757 (15.5%) in the year ended December 31, 2017. This increase was attributed to more investments and higher investment rates.

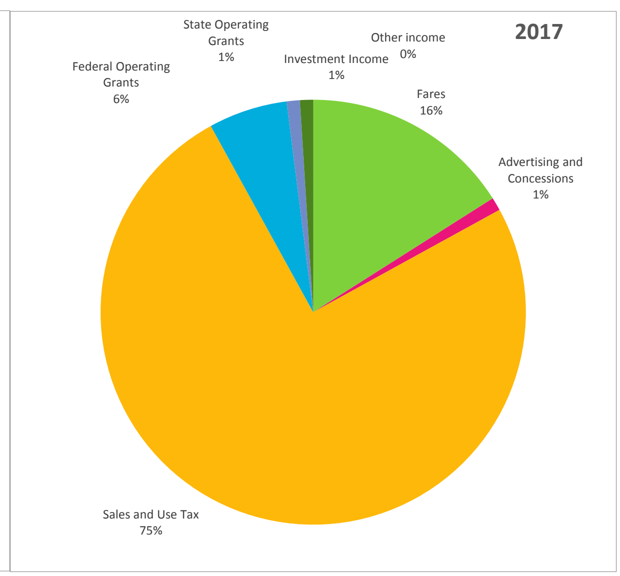
Other Income – Other income increased by $8.1 million in the year ended December 31, 2018, compared to an decrease of $5,627,956 in the year ended December 31, 2017. Over half of the increase was due to the sale of Brooklyn and Harvard garages, totaling $4.4 million in 2018.

Revenue
Millions of Dollars

	2018	2017	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Fares	$45.1	$46.4	($1.3)	(2.8) %
Advertising and concessions	2.4	2.1	0.3	14.3
Sales and Use Tax	226.4	217.1	9.3	4.3
Federal operating grants	16.1	16.1	-	-
State/local operating grants	1.2	1.9	(0.7)	(36.8)
Federal pass-through grants	0.2	0.1	0.1	100.0
Investment income	1.6	0.6	1.0	166.7
Other income	9.9	1.8	8.1	450.0
Total	**$302.9**	**$286.1**	**$16.8**	**5.9 %**







Expenses

Labor and Fringe Benefits: The personnel and related costs decreased by $43.2 million (19.1%) in the year ended December 31, 2018, compared to that of the year ended December 31, 2017. During 2018, the number of personnel (FTE's) decreased to 2,138, compared to 2,196 for the year ended December 31, 2017. This decrease in expense is attributed to a reduction of fte's and favorable actuarial results in the state's pension plan. 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, which offset the cost of providing health care benefits.

Materials and Supplies: The costs in this category decreased by $1.1 million (4.2%) in the year ended December 31, 2018, compared to the year ended December 31, 2017. The decline is a result of our shift to purchasing and 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 $1.6 million (5.8%) in the year ended December 31, 2017, compared to the year ended December 31, 2016.

Services: The costs in this category increased by $.9 million (6.1%) in the year December 31, 2018, compared to the year ended December 31, 2017. The increase is due to increased costs for various maintenance contracts. 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 an increase in the predictive maintenance program, and increase costs for various maintenance contracts.

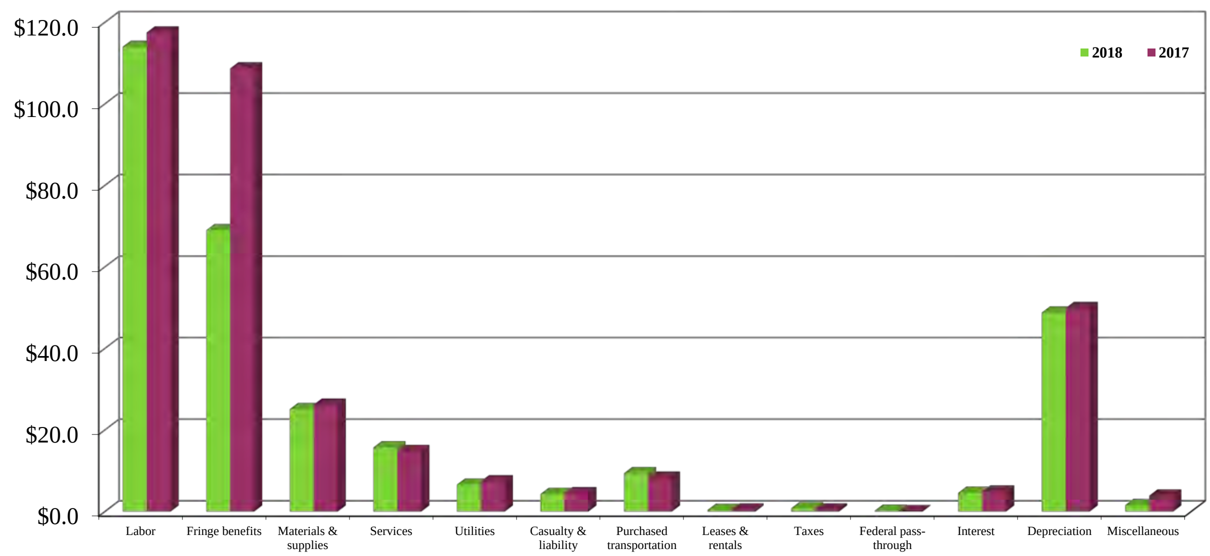
Casualty and Liability: These costs decreased by $.2 million (4.4%) for year ended December 31, 2018 compared to the year ended December 31, 2017, which was due to lower claims in 2018 versus 2017. These costs decreased by $.8 million (15.1%) in 2017 compared to 2016. Casualty and liability claims are recorded based on actuarial studies performed for 2018, 2016 and 2014.

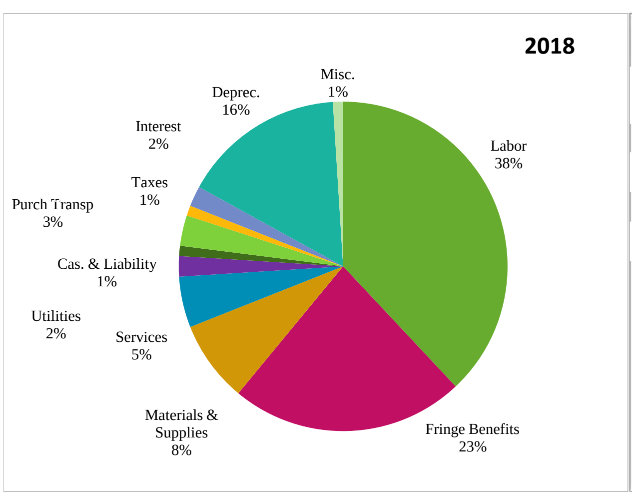
Miscellaneous Expense: These costs decreased by $2.3 million (59.0%) for the year December 31, 2018, compared to the year ended December 31, 2017, which was due to an analysis of our receivables, resulting in the booking of bad debt. The costs in this category increased by $2.7 million (225.0%) in 2017 as compared to 2016.

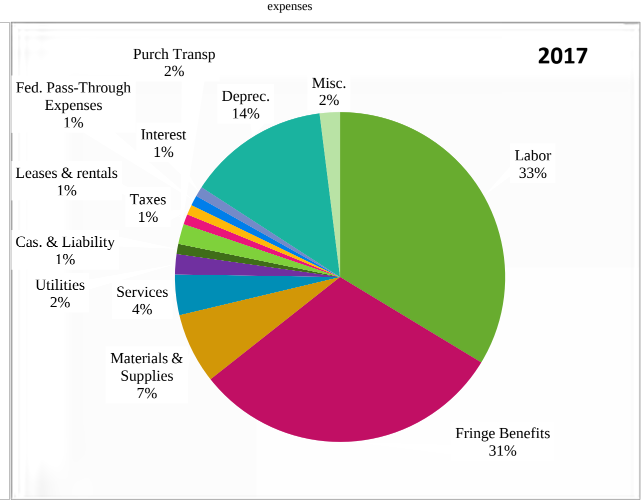
Expenses by Object Class

Millions of Dollars

	2018	2017	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Labor	$114.0	$117.5	($3.5)	(3.0) %
Fringe benefits	69.0	108.7	(39.7)	(36.5)
Materials & supplies	25.1	26.2	(1.1)	(4.2)
Services	15.7	14.8	0.9	6.1
Utilities	6.6	7.4	(0.8)	(10.8)
Casualty & liability	4.3	4.5	(0.2)	(4.4)
Purchased transportation	9.4	8.3	1.1	13.3
Leases & rentals	0.4	0.5	(0.1)	(20.0)
Taxes	0.8	0.5	0.3	60.0
Federal pass-through expenses	0.2	0.1	0.1	100.0
Interest	4.6	4.9	(0.3)	(6.1)
Depreciation	48.8	49.9	(1.1)	(2.2)
Miscellaneous	1.6	3.9	(2.3)	(59.0)
Total	**$300.5**	**$347.2**	**($46.7)**	**(13.5)** %

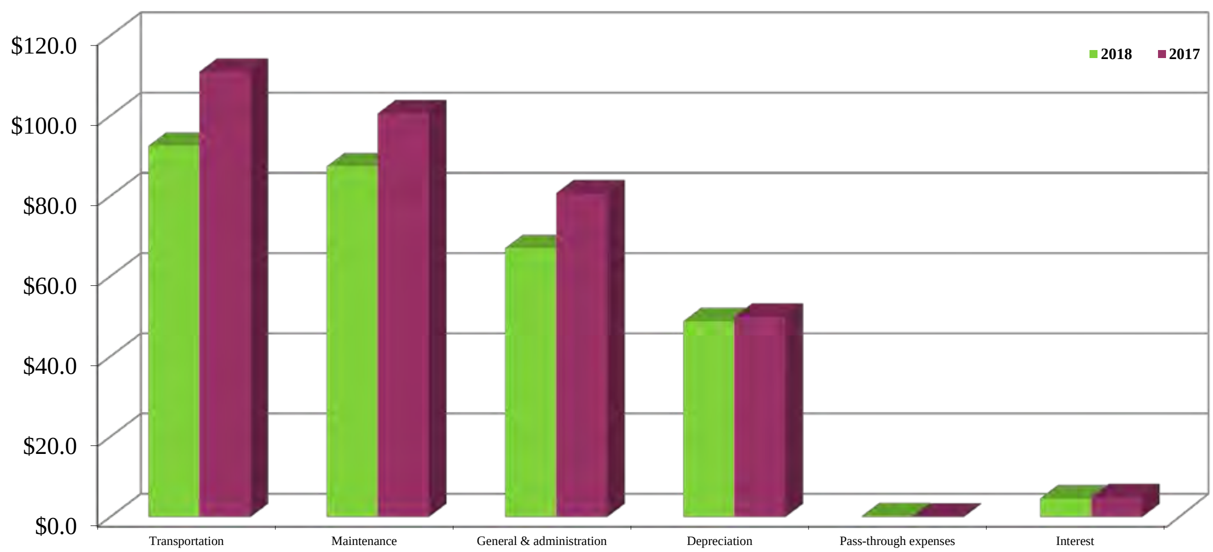


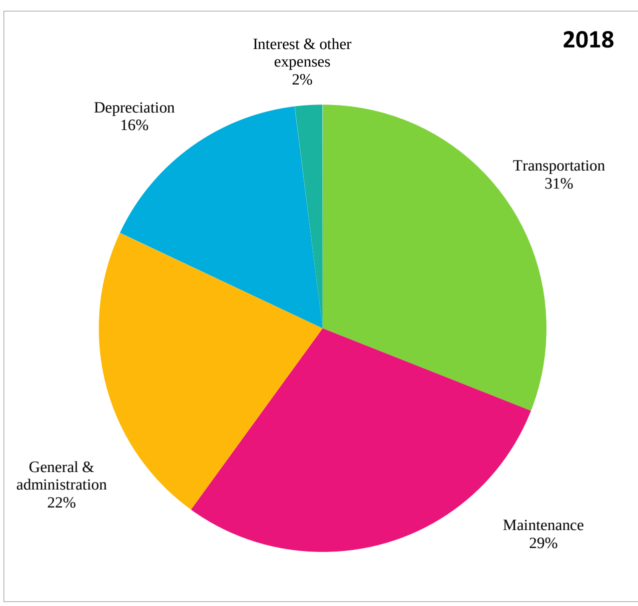


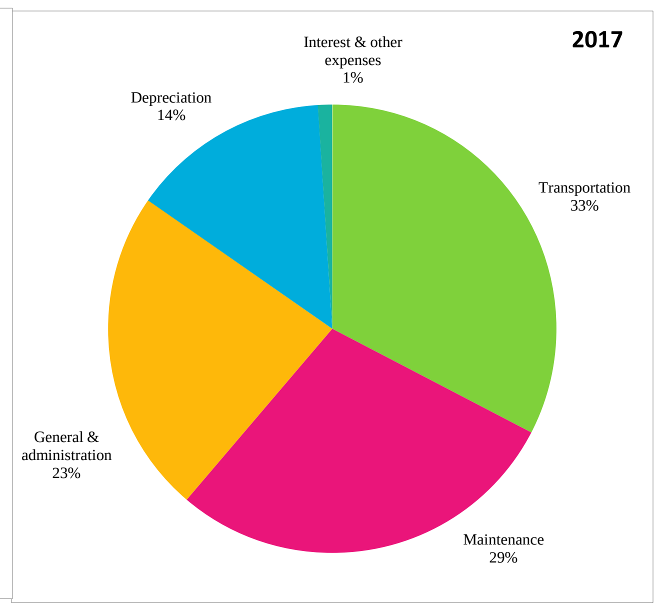


Expenses by Function
Millions of Dollars

	2018	2017	Increase/(Decrease) Amount	Percent
Transportation	$92.5	$111.0	($18.5)	(16.7) %
Maintenance	87.4	100.6	(13.2)	(13.1)
General & administration	67.0	80.7	(13.7)	(17.0)
Depreciation	48.8	49.9	(1.1)	(2.2)
Pass-through expenses	0.2	0.1	0.1	100.0
Interest	4.6	4.9	(0.3)	(6.1)
Total	**$300.5**	**$347.2**	**($46.7)**	**(13.5) %**







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 2018, major construction projects totaling $36.9 million were completed and transferred to the appropriate property and facilities accounts. Major projects during 2018 included the East 34th Station Reconstruction (ADA) with a total cost of $6.0 million, the West 30th to West 98th Track Replacement with a cost of $7.7 million, and the Paratransit Bus Replacement Program with a cost of $2.9 million.

The construction in progress balance at December 31, 2018 included costs associated with a portion of the following;

1.) East 116th Station Reconstruction project
2.) Opportunity Corridor Section One (East 105th Street) Reconstruction
3.) Various other projects

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

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 both general obligation and sales tax supported (capital improvement) bonds to partially finance the purchase and construction of various capital assets. Payment of debt service on the outstanding 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 26, 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 April 16, 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, 2024.

The Authority had $2.0 million of outstanding capital improvement bonds as of December 31, 2017, of which is callable. The Authority's 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, 2018 include:

Series	Issue Date	Maturity Date		Original Principal	December 31, 2018 Balance	Average Interest Rate
General Obligation Improvement Bonds						
2008	02/20/08	12/01/2027	$	35,000,000	$ -	4.57%
Total General Obligation Bonds					-	
Sales Tax Supported and Refunding Bonds						
Series 2012	06/07/12	12/1/2024	$	42,390,000	16,680,000	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	4,050,000	1.51%
Series 2015	04/16/15	12/1/2034	$	51,425,000	47,360,000	4.78%
Series 2016	05/26/16	12/1/2031	$	15,410,000	15,020,000	4.92%
Total Sales Tax Supported Bonds					96,470,000	
Premium					16,647,645	
Total Bonds Payable					$ 113,117,645	

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	

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, 2018 and 2017

Assets and Deferred Outflows of Resources	**2018**	**2017**
Current Assets:		
Cash and cash equivalents	$ 1,743,257	$ 2,805,697
Investments	17,895,776	25,196,190
Restricted for capital assets:		
Cash and cash equivalents	1,011,558	1,592,861
Investments	7,263,040	18,500,931
Restricted for debt service:		
Cash and cash equivalents	2,733,807	2,294,673
Receivables:		
Sales & use tax	54,653,423	50,849,970
Trade & accrued interest (net of allowances)	3,210,874	5,589,683
Naming rights - current portion	605,541	631,219
State capital assistance		1,004,038
Federal capital assistance	2,258,752	7,363,105
Commodity swap transactions	678,615	
Material & supplies inventory	15,428,173	14,380,100
Deposits & Other Assets	1,497,132	1,954,606
Total current assets	108,979,948	132,163,073
Non-current Assets:		
Restricted for capital assets:		
Investments	15,616,109	6,437,170
Investments	63,934,224	34,550,076
Naming Rights	5,184,683	5,510,224
Net Pension Asset - OPERS	748,415	345,911
Total non-current assets	85,483,431	46,843,381
Capital assets:		
Land	37,514,567	37,514,566
Infrastructure	65,976,343	65,653,697
Right-of-ways	321,172,688	314,758,818
Buildings, improvements, furniture & fixtures	551,853,408	578,819,400
Transportation & other equipment	489,596,563	501,861,700
Bus rapid transit	163,663,562	163,605,174
Construction in progress	73,095,037	61,414,598
Total capital assets	1,702,872,168	1,723,627,953
Less: Accumulated depreciation	(961,143,171)	(978,663,080)
Capital assets - net	741,728,997	744,964,873
Total non-current assets and capital assets	827,212,428	791,808,254
Total Assets	936,192,376	923,971,327
Deferred Outflows of Resources:		
Deferred Outflows of Resources - Refunding	1,785,302	3,252,058
Deferred Outflows of Resources - OPEB	8,067,864	
Deferred Outflows of Resources - Pension	44,324,361	91,202,849
Total Deferred Outflows of Resources	54,177,527	94,454,907
Total Assets and Deferred Outflows of Resources	$ 990,369,903	$ 1,018,426,234

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, 2018 and 2017

Total Liabilities, Deferred Inflows of Resources, and Net Position	**2018**	**2017**
Current liabilities:		
Accounts payable	$ 9,069,532	$ 10,274,499
Contracts & other payables	3,791,299	8,980,906
Contract retainers	1,076,611	1,060,179
Interest payable - bonds	414,578	414,578
Accrued wages & benefits	13,067,773	15,209,039
Current portion - compensated absences	4,056,896	4,072,746
Current portion - long-term debt	9,650,000	11,945,000
Current portion - self-insurance liabilities	9,904,443	11,677,692
Current portion - unearned revenue	4,095,565	5,871,170
Total current liabilities	55,126,697	69,505,809
Non-current liabilities		
Compensated absences	7,203,630	7,189,840
Long term debt	103,467,645	114,931,963
Self-insurance liabilities	12,130,300	10,899,850
Net Pension Liability - OPEB	105,768,140	-
Net Pension Liability - Pension	158,262,417	242,327,530
Unearned revenue	5,184,683	5,510,224
Commodity swap transactions	-	1,159,494
Other Long Term Liabilities	1,174,795	1,240,215
Total non-current liabilities	393,191,610	383,259,116
Total liabilities	448,318,307	452,764,925
Deferred Inflows of Resources :		
Deferred Inflows of Resources - OPEB	7,879,020	-
Deferred Inflows of Resources - Pension	37,256,101	1,271,635
Total Deferred Inflows of Resources	45,135,121	1,271,635
Total Liability and Deferred Inflows of Resources	493,453,428	454,036,560
Net Position		
Net Investment in Capital Assets	630,396,654	621,339,969
Restricted for Capital Projects	13,315,363	19,513,603
Restricted for Debt Service	2,319,077	1,879,942
Unrestricted	(149,114,619)	(78,343,840)
Total net position	496,916,475	564,389,674
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 990,369,903	$ 1,018,426,234

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, 2018 and 2017

	2018	2017
Operating revenues:		
Passenger fares	$ 45,159,787	$ 46,350,098
Advertising and concessions	2,379,545	2,068,493
Total operating revenues	47,539,332	48,418,591
Operating expenses, excluding depreciation:		
Labor and fringe benefits	183,029,832	226,209,347
Materials and supplies	25,063,432	26,207,179
Services	15,703,516	14,824,091
Utilities	6,552,454	7,374,510
Casualty and liability	4,345,103	4,506,843
Purchased transportation	9,350,977	8,290,645
Leases and rentals	416,019	452,757
Taxes	816,954	471,707
Miscellaneous	1,632,870	3,860,742
Total operating expenses before depreciation	246,911,157	292,197,821
Depreciation expense	48,836,884	49,933,308
Total operating expenses	295,748,041	342,131,129
Operating loss	(248,208,709)	(293,712,538)
Non-operating revenues (expenses):		
Sales and use tax revenue-net of administrative fees	226,406,329	217,147,375
Federal operating grants and reimbursements	16,126,264	16,058,097
State/local operating grants and reimbursements	1,197,887	1,912,237
Federal pass-through grants revenue	192,171	144,508
Federal pass-through expense	(192,171)	(144,508)
Investment income	1,625,072	640,259
Interest expense	(4,627,375)	(4,988,073)
Other income	9,874,912	1,784,194
Total non-operating income	250,603,089	232,554,089
Net gain/(loss) before capital grant revenue	2,394,380	(61,158,449)
Capital grants revenue:		
Federal	31,727,545	37,262,011
State	6,729	16,500
Total capital grants revenue	31,734,274	37,278,511
Increase/(Decrease) in net position	34,128,654	(23,879,938)
Net position, beginning of year	564,389,674	588,269,612
Cumulative effect due to change in Accounting Principle (see Note 2)	(101,601,853)	
Net position, end of year	$ 496,916,475	$ 564,389,674

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, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers	$ 48,143,141	$ 48,768,993
Cash payments to suppliers for goods and services	(63,235,317)	(59,515,218)
Cash payments to employees for services and payroll taxes	(135,316,522)	(133,720,199)
Cash payments for employee benefits	(49,856,637)	(90,522,684)
Cash payments for casualty and liability	(4,887,902)	(1,946,121)
Other receipts	9,874,912	1,784,194
Net cash used in operating activities	(195,278,325)	(235,151,035)
Cash flows from noncapital financing activities:		
Sales and use taxes received	222,602,876	223,752,229
Grants, reimbursements, and special fare assistance:		
Federal	21,230,617	13,214,806
State and local	2,201,925	1,341,399
Net cash provided by noncapital financing activities	246,035,418	238,308,434
Cash flows from capital and related financing activities:		
Federal capital grant revenue	31,919,716	37,406,519
State capital grant revenue	6,729	16,500
Acquisition and construction of capital assets	(22,113,180)	(41,033,573)
Principal paid on bonds payable and other debt	(11,945,000)	(11,615,000)
Interest paid on bonds and other debt	(4,974,937)	(5,302,001)
Net cash used in capital and related financing activities	(7,106,672)	(20,527,555)
Cash flows from investing activities:		
Purchases of investments	(65,433,618)	(59,205,659)
Proceeds from maturities of investments	25,646,747	45,538,597
Interest received from investments	1,625,072	640,259
Net cash provided/(used) by investing activities	(38,161,799)	(13,026,803)
Net increase/(decrease) in cash and cash equivalents	5,488,622	(30,396,959)
Cash and cash equivalents, beginning of year	6,693,231	37,090,190
Cash and cash equivalents, end of year	$ 5,488,622	$ 6,693,231
Supplemental cash flows disclosures:		
Noncash investing and capital and related financing activities:		
Decrease in fair value of investments	$ (255,184)	$ (124,480)
Decrease in long-term debt due to deferred refunding costs, premium, and amortization.	$ 1,814,318	$ 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, 2018 and 2017

		2018		2017
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	$	(248,208,709)	$	(293,712,538)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation		48,836,884		49,933,308
Other receipts classified as non operating income		9,874,912		1,784,194
Change in assets and liabilities:				
(Increase)/ decrease in other receivables		2,378,809		(734,442)
(Increase)/ decrease in naming rights receivable		351,219		(745,004)
(Increase)/ decrease in deposits		(221,141)		(15,733,752)
Increase/(decrease) in unearned revenue		(2,101,146)		1,198,728
(Increase)/ decrease in materials and supply inventory		(1,048,073)		(1,018,540)
Increase/ (decrease) in accounts payable, pension, accrued compensation, self-insurance liabilities and other		(5,141,080)		23,877,011
Net cash used in operating activities	$	(195,278,325)	$	(235,151,035)

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 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 Sales and Use Taxes are 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 rate for the Authority 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 by the Authority through 2018. 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 2018 and 2017.

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 statement of position reports a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows of resources for certain pension related and OPEB related amounts, such as change in expected and actual experience, changes in assumptions and certain contributions made to the plan subsequent to the measurement date. More detailed information can be found in Note 7 and Note 8, respectively. The Authority has also recorded deferred outflow of resources for the unamortized bond refundings. See Note 6 for more detailed information.

Deferred Inflows of Resources – The statement of position reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows of resources for certain pension related and OPEB related amounts, such as the difference between projected and actual earnings of the plan's investments. More detailed information can be found in Note 7 and Note 8.

Pension - For the purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) Pension Plan and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. OPERS uses the economic resources measurement focus and the full accrual basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Cost (OPEB) – For the purposes of measuring the net other postemployment benefit liability, deferred outflows of resources and deferred inflow of resources related to OPEB expense, information about the fiduciary net position of the OPERS pension plan and additions to/deductions from OPERS fiduciary net potion have been determined on the same basis as they are reported by the OPERS. OPEB uses the economic resources measurement focus and the full accrual basis of accounting. Benefit payments are recognized when due and payable in accordance with the benefit terms. The OPEB systems report investments at fair value.

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.

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.

	2018	2017
Beginning Balance	$ 11,262,586	$ 11,730,068
Incurred	10,457,765	10,735,528
Payments	(10,459,825)	(11,203,010)
Balance, End of Year	$ 11,260,526	$ 11,262,586
Due Within One Year	$ 4,056,896	$ 4,072,746

Self-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 2018, the Authority implemented Governmental Accounting Standards Board,(GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*, GASB Statement No. 85, Omnibus 2017, and related guidance from GASB Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits other Than Pensions (and Certain Issues Related to OPEB Plan Reporting).* The implementation of these pronouncements has the following effect on net position, as reported for December 31, 2017:

Net Position December 31, 2017 - as previously stated	$	564,389,674
Adjustments:		
OPEB Deferred Outflow-Payments Subsequent to		
Measurement Date		2,530,932
Net OPEB Liability - (See Note 8)		(104,132,785)
Cumulative effect due to change in Accounting Principle		(101,601,853)
Net Position December 31, 2017 - restated	$	462,787,821

Newly Issues Accounting Pronouncements:

As of the report date, the GASB issued the following statements not yet implemented by the Authority:

GASB Statement No. 87, Leases, issued June 2017. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements, issued March 2018. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The objective of this statement is to improve the information that is disclosed in notes related to debt.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, issued June 2018. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to simplify accounting for interest cost incurred before the end of construction, requiring them to be expensed as incurred.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following is a listing of deposits and investments held by the Authority at December 31, 2018 and 2017:

	2018	2017
Demand deposits	$ 5,305,522	$ 6,510,081
Cash on hand	183,100	183,150
Investments	104,709,149	84,684,367
Total	$ 110,197,771	$ 91,377,598
Bank balance	$ 5,221,396	$ 8,489,590

The deposits and investments of the Authority at December 31, 2018 and 2017 are reflected in the financial statements as follows:

	2018	2017
Current Assets:		
Cash and cash equivalents	$ 1,743,257	$ 2,805,697
Investments	17,895,776	25,196,190
Restricted Assets:		
Cash and cash equivalents	3,745,365	3,887,534
Investments	7,263,040	18,500,931
Noncurrent Assets:		
Investments - Restricted for capital assets	15,616,109	6,437,170
Investments	63,934,224	34,550,076
Total deposits and investments	$ 110,197,771	$ 91,377,598

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. In addition to the deposits of $250,000, per institution, being insured by the Federal Deposit Insurance Corporation (FDIC), these financial institutions may (1) pledge a pool of governmental securities that the face value shall be at least 105% of the total value of public monies on deposit or (2) participate in the Ohio Pooled Collateral System (OPCS). Participation in OPCS requires that the total market value of the securities pledged to be at least 102% of the deposits being secured or at a rate set by the Treasurer of State. For the year ended December 31, 2018, the Authority's financial institutions were enrolled in OPCS.

For the years ended December 31, 2018 and December 31, 2017, $750,000 of the bank balances of $5,221,396 and $8,489,590, respectively, were covered by the FDIC. The remaining balances were covered by the pools of pledged securities.

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, 2018 and 2017, 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, 2018, the Authority's investment maturities were as follows:

		Remaining Maturity as of December 31, 2018		
Investment Type	Total Amount	12 Months or Less	12 to 24 Months	24 to 60 Months
Federal Farm Credit Bank	$ 18,415,477		$ 11,353,725	$ 7,061,752
Federal National Mortgage Association	19,815,270	$ 8,929,370	7,905,970	2,979,930
Federal Home Loan Mortgage Corporation	22,934,341	988,850	17,155,255	4,790,236
Federal Home Loan Bank	30,282,846	1,979,380	9,897,910	18,405,556
Star Ohio - Money Market Funds	13,261,215	13,261,215		
Total	$ 104,709,149	$ 25,158,815	$ 46,312,860	$ 33,237,474

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

		Remaining Maturity 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

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, 2018, the credit quality ratings of the Authority's investments were as follows:

Investment Type		Total Amount		AAA
Federal Farm Credit Bank	$	18,415,477	$	18,415,477
Federal National Mortgage Association		19,815,270		19,815,270
Federal Home Loan Mortgage Corporation		22,934,341		22,934,341
Federal Home Loan Bank		30,282,846		30,282,846
Star Ohio - Money Market Funds		13,261,215		13,261,215
Total Investments measured at Fair Value	$	104,709,149	$	104,709,149

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

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

Investment Type		Total Amount		AAA
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

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 limiting 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, 2018 are as shown below:

	Allocation as of December 31, 2018	
Investment Type/ Issuer	Reported Amount	Percentage of Total Portfolio
Star Ohio - Money Market Funds	$ 13,261,215	13%
Federal National Mortgage Association	19,815,270	19%
Federal Home Loan Mortgage Corporation	22,934,341	22%
Federal Farm Credit Bank	18,415,477	18%
Federal Home Loan Bank	30,282,846	29%
Total	$ 104,709,149	100%

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%

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, 2018 and 2017.

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, 2018, the Authority's investment maturities were as follows:

Investment Type	Total Amount	Fair Value Measurement as of December 31, 2018 Level 1
Federal National Mortgage Association	$ 19,815,270	$ 19,815,270
Federal Home Loan Mortgage Corporation	22,934,341	22,934,341
Federal Farm Credit Bank	18,415,477	18,415,477
Federal Home Loan Bank	30,282,846	30,282,846
Total Investments measured at Fair Value	$ 91,447,934	$ 91,447,934

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

Investment Type	Total Amount	Fair Value Measurement as of December 31, 2017 Level 1
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

4. NAMING RIGHTS

In prior years, the Authority entered into several contracts with various Cleveland institutions to secure naming rights on certain 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, 2018 and 2017 was $605,541 and $631,219 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, 2018 was as follows:

	Balance January 1, 2018	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2018
Capital Assets Not Being Depreciated:				
Land	$ 37,514,566	$ 1		$ 37,514,567
Construction in Progress	61,414,598	45,972,341	$ 34,291,902	73,095,037
Total Capital Assets Not Being Depreciated	98,929,164	45,972,342	34,291,902	110,609,604
Capital Assets Being Depreciated:				
Infrastructure	65,653,697	1,114,091	791,445	65,976,343
Right-of-Ways	314,758,818	7,753,998	1,340,128	321,172,688
Building, Furniture & Fixtures	578,819,400	8,672,706	35,638,698	551,853,408
Transportation and Other Equipment	501,861,700	19,335,061	31,600,198	489,596,563
Bus Rapid Transit	163,605,174	58,388		163,663,562
Total Capital Assets Being Depreciated	1,624,698,789	36,934,244	69,370,469	1,592,262,564
Less Accumulated Depreciation:				
Infrastructure	23,612,026	1,335,213	2,131,571	22,815,668
Right-of-Ways	196,441,558	6,499,821		202,941,379
Building, Furniture & Fixtures	343,870,483	18,699,083	32,627,437	329,942,129
Transportation and Other Equipment	381,692,166	18,666,956	31,597,783	368,761,339
Bus Rapid Transit	33,046,847	3,635,811	2	36,682,656
Total Accumulated Depreciation	978,663,080	48,836,884	66,356,793	961,143,171
Total Capital Assets Being Depreciated, Net	646,035,709	(11,902,640)	3,013,676	631,119,393
Total Capital Assets, Net	$ 744,964,873	$ 34,069,702	$ 37,305,578	$ 741,728,997

Remaining costs to complete construction projects, as of December 31, 2018, which will extend over a period of several years, total $98.1 million. Approximately $57.2 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 2018 are the East 34th Street Rapid Station and the Red Line West Track Rehabilitation.

For the year ended December 31, 2018, capitalized interest was ($36,568).

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 Lee-Shaker Rapid Station.

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

6. LONG-TERM DEBT

Long-term bonds at December 31, 2018 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due Within One Year
Series 2008-GO Bonds	4.57	$ 1,995,000		$ 1,995,000		
Series 2012-Sales Tax Revenue Bonds	5.01	19,555,000		2,875,000	$ 16,680,000	$ 3,020,000
Series 2014A-Sales Tax Revenue Bonds	4.50	13,360,000			13,360,000	
Series 2014B-Sales Tax Revenue Bonds	1.51	10,055,000		6,005,000	4,050,000	3,510,000
Series 2015 Sales Tax Capital Improvement Refunding Bonds	4.78	48,420,000		1,060,000	47,360,000	3,110,000
Series 2016 Sales Tax Supported Refunding Bonds	4.92	15,030,000		10,000	15,020,000	10,000
Premium		18,461,963		1,814,318	16,647,645	
Total Long-Term Debt		$ 126,876,963		$ 13,759,318	$ 113,117,645	$ 9,650,000

Long-term bonds 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 Long-Term Debt		$ 140,323,087		$ 13,446,124	$ 126,876,963	$ 11,945,000

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 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, 2018 is $14,385,000.

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 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, 2018, is $18,075,000.

On April 16, 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 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, 2018 is $22,160,000.

On May 26, 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 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, 2018 is $14,915,000.

The annual requirements to pay principal and interest on the bonds outstanding at December 31, 2018 are as follows:

	Bonds	
Year	**Principal**	**Interest**
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	8,955,000	2,878,200
2024-2028	31,665,000	8,453,450
2029-2033	15,305,000	2,668,250
2034	2,315,000	115,750
Total	**$ 96,470,000**	**$ 30,019,650**

7. RETIREMENT AND OTHER BENEFITS

DEFINED BENEFIT PENSION PLANS

The Authority participates in the Ohio Public Employees Retirement System (OPERS), the statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the Ohio Revised Code (ORC) that cover substantially all employees of the Authority. The retirement system has multiple retirement plan options available to its members and survivor, and disability benefits to plan members and their beneficiaries.

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for their pension. Pension is 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 during 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 in the past. 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 liability.

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 1.6 percent of the Authority's employee/employer contributions being directed to the Member-Directed Plan, as opposed to only 1.5 percent in 2017. 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 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.

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. 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.

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

Group A	**Group B**	**Group C**
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements:	**Age 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 the 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.

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 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 0.0 percent and 1.0 percent respectively for calendar years 2018 and 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 years 2018 and 2017 were $18,601,694 and $14,800,939 respectively. The contractually required contribution for the Combined Plan net of post-employment health care benefits, for years 2018 and 2017 were $314,038 and $259,171 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, 2017 and December 31, 2016 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 - 2017 Measurement

Actuarial Information	**Traditional Plan**	**Combined Plan**
Valuation Date	December 31, 2017	December 31, 2017
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 - 2016 Measurement

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

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.The base year for males and females was then established to be 2015 and 2010, respectively. Post retirement mortality rates are based on the RP-2014 Health Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010 respectively. Post retirement mortality rates for disabled retirees are based on the RP-2014 disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Investment Assumptions

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.

The table below displays the OPERS Board-approved asset allocation policy for the measurement years 2017 and 2016 and the long-term expected real rates of return:

Asset Class	2017 Target Allocation	2017 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)	2016 Target Allocation	2016 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00%	2.20%	23.00%	2.75%
Domestic Equities	19.00%	6.37%	20.70%	6.34%
Real Estate	10.00%	5.26%	10.00%	4.75%
Private Equity	10.00%	8.97%	10.00%	8.97%
International Equities	20.00%	7.88%	18.30%	7.95%
Other Investments	18.00%	5.26%	18.00%	4.92%
TOTAL	100.00%	5.66%	100.00%	5.66%

Discount Rate: The discount rate used to measure the total pension liability for measurement years 2017 and 2016 was 7.5 percent for both years. 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, 2018	$ 281,033,733	$ 158,262,417	$ 55,908,139
Combined Plan at December 31, 2018	$ (406,830)	$ (748,415)	$ (984,088)

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)

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, 2018 was measured as of December 31, 2017. 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. The related deferred outflows and inflows of resources associated with the pension liability are presented on the following pages.

	Measurement Year - 2017		
2018 Net Pension Liability and Pension Expense	Traditional	Combined	Total
Proportionate Share of the Net Pension (Asset)/Liability prior measurement date	1.0671320%	(.621506%)	
Proportionate Share of the Net Pension (Asset)/Liability current measurement date	1.0088080%	(.549770%)	
Change in Proportionate Share	(0.058324%)	(0.071735%)	
Proportionate Share of the Net Pension Asset	$ -	$ 748,415	$ 748,415
Proportionate Share of the Net Pension Liability	$ 158,262,417	$ -	$ 158,262,417
Pension Expense	$ 33,978,526	$ 120,824	$ 34,099,350

For comparative purposes, the net pension liability for OPERS' Traditional and Combined Plans for 2017 are presented below.

	Measurement Year - 2016		
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	$ -	$ 345,911	$ 345,911
Proportionate Share of the Net Pension Liability	$ 242,327,530	$ -	$ 242,327,530
Pension Expense	$ 51,446,658	$ 249,910	$ 51,696,568

At December 2018, the Authority reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

	OPERS	OPERS	
2018 Deferred Outflow of Resources	Traditional	Combined	Total
Authority's contributions subsequent to measurement date	$18,601,694	$314,038	$18,915,732
Difference in employer contributions and change in proportionate share	6,268,183		6,268,183
Difference between expected and actual experience	161,625		161,625
Change in assumptions	18,913,419	65,402	18,978,821
Total Deferred Outflow of Resources	$43,944,921	$379,440	$44,324,361
2018 Deferred Inflow of Resources			
Net difference between projected and actual earnings on pension plan investments	$33,976,855	$118,081	$34,094,936
Difference between expected and actual experience	3,118,853	222,957	3,341,810
Difference in employer contributions and change in proportionate share	(180,801)	156	(180,645)
Total Deferred Inflows of Resources	$36,914,907	$341,194	$37,256,101

Deferred Outflows of $18,915,732 represent 2018 Authority contributions subsequent to the 2017 measurement dates. These contributions will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2019.

Correspondingly, the Authority reported deferred outflow and inflow of resources related to pensions for the fiscal year ended December 31, 2017, as presented in the following table:

	OPERS	OPERS	
2017 Deferred Outflow of Resources	Traditional	Combined	Total
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 2017 Authority contributions subsequent to the 2016 measurement dates. These contributions will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2018.

Aside from subsequent contributions, other amounts reported as deferred outflows of resources and deferred inflows of resources, including changes in proportionate share, difference between expected and actual experience, changes in assumptions and difference in projected versus actual earnings on pension investments are amortized as pension expense over subsequent periods. The table presented on the subsequent page presents the current year unamortized balances of deferred outflows/inflows and the periods over which they will be expensed.

:

Amortization of Deferred Outflows/Inflows - 2019 forward

	OPERS Traditional	OPERS Combined	Total
2019	17,627,920	(37,492)	17,590,428
2020	(276,407)	(40,722)	(317,129)
2021	(14,961,606)	(67,178)	(15,028,784)
2022	(13,961,587)	(64,385)	(14,025,972)
2023		(22,924)	(22,924)
2024		(18,377)	(18,377)
2025-2027		(24,714)	(24,714)
	(11,571,680)	(275,792)	(11,847,472)

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, 2018. Based on the last study available, there were 1,724 participants in pay status and 1,665 active employees and benefit payments of $73,580.

As of December 31, 2018 the Supplemental Pension Fund liability was determined to be $1,174,795, based on the actuarial study. The fair value of associated assets totaled $1,338,354 and $1,312,349 as of December 31, 2018 and 2017, respectively.

8. DEFINED BENEFIT OPEB PLANS

OPERS provides access to post-retirement health care coverage to age and service retirees with 20 or more years of qualifying Ohio service credit. Access to health care coverage for disability recipients and primary survivor recipients is available. The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

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 fiscal year 2018, 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's 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 1.0% during the calendar year 2017. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 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 covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2018 was 4.0 percent.

The Authorities contributions allocated to fund post-employment health care benefits for the fiscal years ended December 31, 2018 and 2017 were $284,430 and $2,530,932 respectively. These contributions will be recognized as a reduction of the net OPEB liability in the fiscal years December 31, 2019 and December 31, 2018.

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

OPERS OPEB Costs

At December 31, 2018, the Authority reported a liability of $105,768,140 for its proportionate share of the OPERS net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total pension liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's long term share of contributions to OPERS relative to the total projected long-term employer contributions received from all of OPERS' participating employers. At December 31, 2017, the Authority's proportion was 0.97399%.

In the fiscal year 2018, the Authority's recognition of its proportionate share of OPEB expense with respect to OPERS Ohio health benefit plans resulted in OPEB expense of $9,020,662. As this is the first year of implementing the change in financial reporting as required under GASB Statement No. 75, prior year comparable data is unavailable. At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB expense from the following sources:

At December 31, 2018, the Authority reported its proportionate share of net OPEB liabilities and OPEB expense from OPERS plan as displayed in the subsequent table.

	OPERS*
Proportion of the Net OPEB Liability Prior Measurement Date	1.03098%
Proportion of the Net OPEB Liability Current Measurement Date	0.97399%
Change in Proportionate Share	0.05699%
Proportionate Share of the Net OPEB Liability	105,768,140
OPEB Expense	9,020,662

*OPERS based on December 31, 2017 measurement date

2018 Deferred Outflow of Resources		OPERS
Authority's contributions subsequent to measurement date	$	284,430
Difference between expected and actual experience		82,393
Change in assumptions		7,701,041
Total Deferred Outflow of Resources	$	8,067,864
2018 Deferred Inflow of Resources		
Net difference between projected and actual earnings on pension plan investments	$	7,879,020
Total Deferred Outflow of Resources	$	7,879,020

Amounts reported as deferred outflow of resources and deferred inflow of resources including change in proportionate share, difference between expected and actual experience, changes in assumptions and difference in projected versus actual earnings on investments are amortized as OPEB expense over subsequent periods. The unamortized portion of deferred outflows and deferred inflows are as follows:

Amortization of Deferred Outflows/Inflow - 2019 forward

	OPERS
2019	1,751,527
2020	1,751,527
2021	(1,628,885)
2022	(1,969,755)
	(95,586)

ACTUARIAL ASSUMPTIONS

OPERS Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	December 31, 2016
Single discount rate	3.85%
Investment rate of return	6.50%
Wage inflation	3.25%
Municipal bond rate	3.31%

Projected salary increases	3.25% to 10.75 % (includes wage inflation at 3.25%)
Health care cost trends	7.50% initial, 3.25% ultimate in 2028

Actuarial valuations are as of December 31, 2016 rolled forward to December 31, 2017. The assumptions used in the valuation are based on the result of an actuarial experience study for the five year period ended December 31, 2015.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Investment Return Assumptions

The long-term expected rate of return is arithmetic and determined using a building block method in which best estimate ranges of expected future real rates of returns are developed for each major asset class. These ranges are combined to produce the long-term expected best estimates of arithmetical 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 Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long term objective of continuing to offer a sustainable health care program for current and future retirees. OPER's primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. For the measurement year 2017, the table below displays the OPERS Board approved asset allocation policy and the long-term expected rate of return for each major asset class.

Asset Class	**Target Allocation**	**Weighted Average Long-Term Expected Real Rate of Return* (Arithmetic)**
Fixed Income	34.00%	1.88%
Domestic Equities	21.00%	6.37%
REITs	6.00%	5.91%
International Equities	22.00%	7.88%
Other Investments	17.00%	5.39%
TOTAL	100.00%	4.98%

OPERS DISCOUNT RATE

A single discount rate of 3.85% was used to measure the OPERS OPEB liability on the measurement date of December 31, 2017. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.50% and a municipal bond rate of 3.31%. The 3.31% was based on an index of 20-year general obligation bonds with an average AA credit rating. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

SENSITIVITY OF THE AUTHORITY'S PROPORTIONARE SHARE OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following table presents the OPEB liability calculated using the single discount rate of 3.85%, and the expected net OPEB liability if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate.

	1% Decrease 2.85%	Current Discount Rate 3.85%	1% Increase 4.85%
Authority's proportionate share of the net OPEB liability to changes in discount rate	$ 140,517,538	$ 105,768,140	$ 77,656,223

SENSITIVITY OF THE AUTHORITY'S PROPORTIONARE SHARE OF THE NET OPEB LIABILITY TO CHANGES IN THE HEALTH CARE COST TREND RATE

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

	1% Decrease	Current Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability to changes in the health care cost trend rate	$ 101,197,561	$ 105,768,140	$ 110,489,426

Retiree health care valuations use a health care cost trend assumption that changes over several years built into the assumptions. The near term rates reflect increases in the current cost of health care; the trend starting in 2018 7.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not too distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuary's project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25% in the most recent valuation.

9. PURCHASED TRANSPORTATION SERVICES

The Authority contracts with vendors who use local companies to provide transit services within Cuyahoga County for elderly and handicapped persons. Expenses under these contracts amounted to $9,350,977 and $8,290,645 in 2018 and 2017, 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, 2018 and 2017 as follows:

		2018		2017
FEDERAL:				
FTA Capital Grants	$	31,727,545	$	37,262,011
FTA Maintenance Assistance		16,489,777		16,002,939
FTA Operating Grants		(363,513)		55,158
Pass-Through Grants		192,171		144,508
Total	$	48,045,980	$	53,464,616
STATE:				
ODOT Capital Grants	$	6,729	$	16,500
ODOT Fuel Tax Reimbursement		658,838		803,773
ODOT Operating Grants		539,049		1,108,464
Total	$	1,204,616	$	1,928,737

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, 2018 and 2017, 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.

During the normal course of operation, the Authority has been named as a defendant in certain legal actions and claims. The Authority's 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 were removed from the Sales and Use Tax base effective July 1, 2017. This issue impacted 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.

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.

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 January 2022. 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 2018 and 2017 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, 2018:

(See table on following page)

NYMEX

Execution Date	Maturity Date	Gallons	Total Quality (Gallons)		Contract Price Range (Per Gallon)		Fair Market Value As of 12/31/18
2/9/2016	2/28/2019	42,000	42,000	$	1.43	$	10,475
3/15/2016	2/28/2019	42,000	42,000	$	1.51		7,115
4/1/2016	3/31/2019	42,000	42,000	$	1.51		6,716
4/4/2016	4/30/2019	42,000	42,000	$	1.48		7,396
6/9/2016	4/30/2019	42,000	42,000	$	1.735		(3,314)
6/10/2016	6/30/2019	42,000	126,000	$	1.740-1.752		(10,391)
6/16/2016	7/31/2019	42,000	42,000	$	1.68		(181)
7/25/2016	8/31/2019	42,000	42,000	$	1.7		(504)
11/14/2016	10/31/2019	42,000	252,000	$	1.645-1.685		4,339
2/7/2017	1/31/2020	42,000	126,000	$	1.752-1.759		(3,507)
3/8/2017	4/30/2019	42,000	126,000	$	1.66-1.67		332
3/13/2017	11/30/2019	42,000	126,000	$	1.622-1.634		10,332
4/27/2017	2/29/2020	42,000	126,000	$	1.640-1.647		11,180
5/1/2017	4/30/2020	42,000	126,000	$	1.64-1.65		11,000
6/2/2017	5/31/2020	42,000	126,000	$	1.625-1.630		13,335
6/21/2017	7/31/2019	42,000	126,000	$	1.50-1.51		20,387
6/26/2017	8/31/2019	42,000	42,000	$	1.513		7,329
8/14/2017	12/31/2019	42,000	84,000	$	1.638-1.644		6,964
8/15/2017	1/31/2020	42,000	126,000	$	1.622-1.650		10,273
10/17/2017	6/30/2020	42,000	42,000	$	1.738		244
10/19/2017	10/31/2020	42,000	210,000	$	1.737-1.756		2,470
6/14/2018	2/28/2019	42,000	42,000	$	2.179		(20,983)
6/15/2018	1/31/2021	42,000	252,000	$	2.09-2.14		(94,534)
6/18/2018	9/30/2020	42,000	126,000	$	2.07-2.08		(39,661)
7/11/2018	1/31/2021	42,000	168,000	$	2.130-2.145		(60,778)
7/16/2018	8/31/2019	42,000	42,000	$	2.07		(16,044)
7/18/2018	9/30/2020	42,000	210,000	$	2.082-2.134		(74,092)
9/21/2018	11/30/2019	42,000	84,000	$	2.220-2.233		(43,373)
10/23/2018	5/31/2021	42,000	42,000	$	2.167		(16,422)
10/24/2018	4/30/2021	42,000	84,000	$	2.170-2.182		(33,747)
10/31/2018	2/28/2021	42,000	42,000	$	2.19		(17,359)
11/1/2018	3/31/2020	42,000	126,000	$	2.20-2.21		(59,770)
11/2/2018	5/31/2020	42,000	126,000	$	2.17-2.18		(56,629)
11/5/2018	7/31/2020	42,000	42,000	$	2.15		(16,619)
11/12/2018	6/30/2021	42,000	42,000	$	2.095		(13,037)
11/13/2018	11/30/2021	42,000	294,000	$	2.06-2.10		(84,164)
11/15/2018	7/31/2021	42,000	42,000	$	2.05		(10,882)
11/16/2018	9/30/2021	42,000	84,000	$	2.04-2.045		(20,555)
11/23/2018	7/31/2021	42,000	420,000	$	1.9325-1.9675		(74,042)
11/30/2018	5/31/2021	42,000	252,000	$	1.875-1.895		(31,063)
12/21/2018	1/31/2022	42,000	252,000	$	1.8295-1.8350		(6,850)
						$	(678,615)

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 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, 2018 and 2017, 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 $35,906,094 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, 2018 and 2017, was $12.6 and $6.0 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:

	2018	2017	2016
Balance, Beginning of Year	$ 22,577,542	$ 20,016,820	$ 21,603,774
Incurred Claims	27,697,908	28,428,915	22,995,768
Payments	(28,240,707)	(25,868,193)	(24,582,722)
Balance, End of Year	$ 22,034,743	$ 22,577,542	$ 20,016,820
Due Within One Year	$ 9,904,443	$ 11,677,692	$ 9,117,620

14. 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.

15. SUBSEQUENT EVENTS

In May 2019, the Authority issued $30 million of Sales Tax Revenue Bonds, approved by the Authority's Board of Trustees. The proceeds are to be used for the financing of the local portion of the capital projects, to fund major projects.

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. For fiscal year 2018, the Authority implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, an amendment of GASB 45.

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 Statement No. 68 and GASB Statement No. 75.

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 Five Years (1)

TRADITIONAL PLAN	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	1.00881%	1.06713%	1.06304%	1.03688%	1.03688%
Authority's Proportionate Share of the Net Pension Liability	$ 158,262,417	$ 242,327,530	$ 184,132,275	$ 125,059,292	$ 122,234,619
Authority's Covered Payroll	$ 131,593,151	$ 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 Payroll	120.2665%	184.3103%	140.7304%	97.0874%	100.8030%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.66%	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 Liability
Ohio Public Employees Retirement System - Combined Plan
Last Five Years (1)

Combined Plan	**2018**	**2017**	**2016**	**2015**	**2014**
Authority's Proportion of the Net Pension Liability	0.54977%	0.62151%	0.60988%	0.58799%	0.58799%
Authority's Proportionate Share of the Net Pension Liability	$ (748,415)	$ (345,911)	$ (296,780)	$ (226,388)	$ (61,697)
Authority's Covered- Employee Payroll	$ 2,342,077	$ 2,159,669	$ 2,149,197	$ 2,115,861	$ 1,991,841
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	31.9552%	16.0169%	13.8089%	10.6996%	3.0975%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.2603%	116.6667%	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.

*See Notes to Required Supplementary Information on page 74.

Greater Cleveland Regional Transit Authority
Schedule of the Authority's Contributions to Pensions
Ohio Public Employees Retirement System (OPERS)
Last Ten Years

Traditional Plan:	Contractually Required Contribution	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2018	$ 18,601,694	$ (18,601,694)	$ -	$ 130,653,369	14.24 %
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 %

Combined Plan:	Contractually Required Contribution	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2018	$ 314,038	$ (314,038)	$ -	$ 2,236,503	14.04 %
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 %

*See Notes to Required Supplementary Information on page 74.

Greater Cleveland Regional Transit Authority
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System
Last Two Years (1)

HEALTH PLAN	**2018**	**2017**
Authority's Proportion of the Net OPEB Liability	0.97399%	1.03098%
Authority's Proportionate Share of the Net OPEB Liability	$ 105,768,140	$ 104,132,785
Authority's Covered Payroll	$ 133,637,664	$ 132,989,680
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	79.1455%	78.3014%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.14%	54.04%

(1) Although this schedule is intended to show information for ten years, information prior to 2017 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.

*See Notes to Required Supplementary Information on page 74.

Greater Cleveland Regional Transit Authority
Schedule of Authority's Contrubutions to OPEB
Public Employees Retirement System of Ohio (OPERS)
Last Two Years (1)

	Contractually Required Contribution	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2018	$ 284,430	$ (284,430)	$ -	$ 133,935,228	0.21 %
2017	$ 2,530,932	$ (2,530,932)	$ -	$ 133,637,664	1.89 %

(1) Although this schedule is intended to present information for ten years, information priot to 2017 was not available. This schedule will be populated in subsequesnt years.
(2) Covered payroll is for the December 31 fiscal period.

Greater Cleveland Regional Transit Authority
Notes to Required Supplementary Information
For the Fiscal Years Ended December 31, 2018 and 2017

Ohio Public Employees Retirement System (OPERS) – Pension

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2018.

Changes in Assumptions: For 2017, there were several changes in assumptions for OPERS. The wage inflation dropped from 3.75% to 3.25%. The projected salary increase range changed from 4.25-10.05% to 3.25-10.75%. The reduction in the actuarially assumed rate of return changed from 8.00% to 7.50%.

Ohio Public Employees Retirement System (OPERS) – Other Postemployment Benefits (OPEB)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2018.

Changes in Assumptions: For 2018, the most significant change of assumptions was the reduction in the actuarially assumed rate of return from 4.23% to 3.85%.

2018

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.

<u>**Contents**</u> **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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Investment in Capital Assets	$574,797	$588,533	$569,852	$546,456	$546,042	$576,014	$601,570	$611,606	$621,340	$630,397
Restricted	18,700	16,269	20,739	25,516	49,197	35,324	50,764	42,759	21,394	15,634
Unrestricted	16,313	43,446	61,689	63,830	48,311	35,375	(75,160)	(66,096)	(78,344)	(149,115)
Total Net Position	$609,810	$648,248	$652,280	$635,802	$643,550	$646,713	$577,174	$588,269	$564,390	$496,916

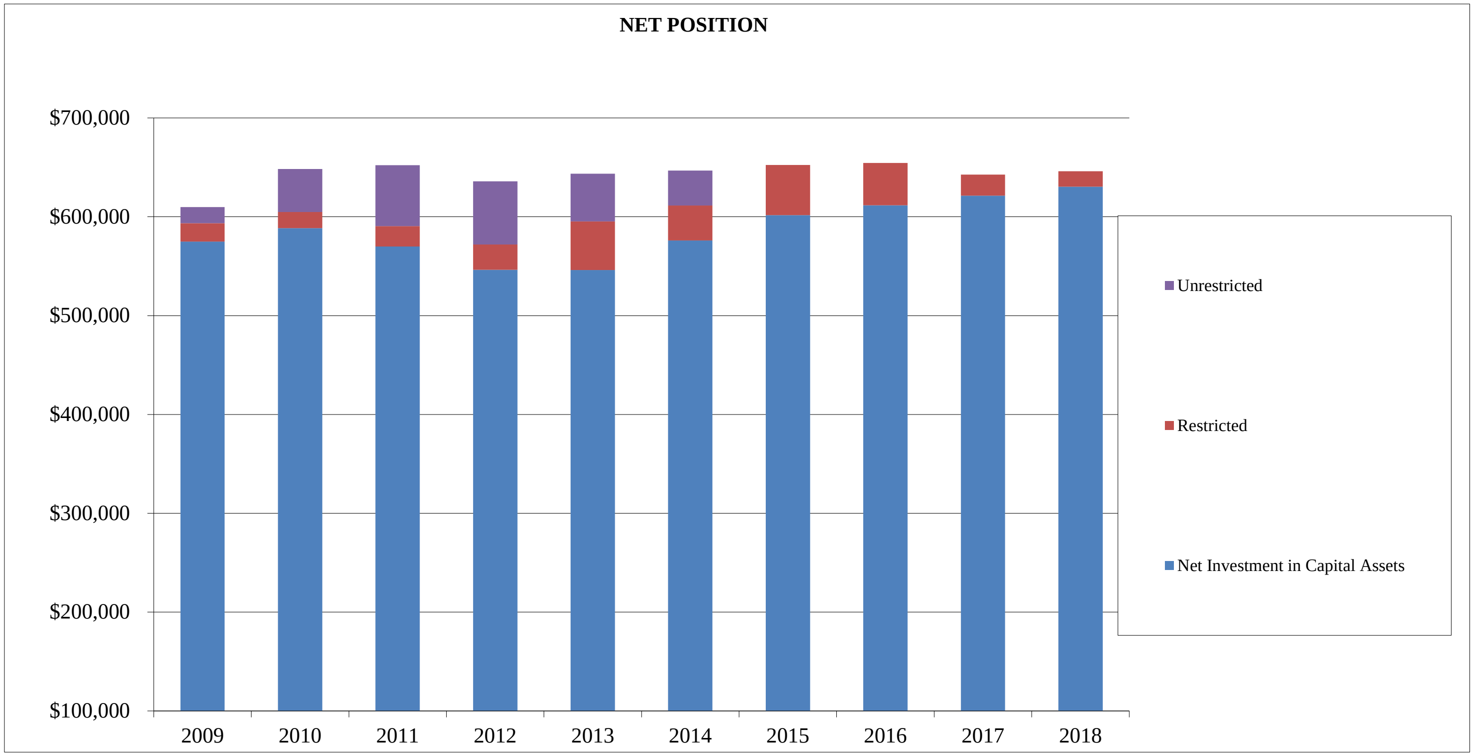


TABLE 2

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenues:										
Passenger Fares	$50,128	$46,959	$49,731	$49,896	$50,873	$52,080	47,176	46,776	46,351	45,160
Advertising and Concessions	1,115	968	946	1,350	1,493	1,653	1,632	1,781	2,068	2,379
Total Operating Revenues	51,243	47,927	50,677	51,246	52,366	53,733	48,808	48,557	48,419	47,539
Operating Expenses	244,996	216,476	226,033	238,884	251,638	259,779	250,076	262,635	292,198	246,911
Depreciation Expense	50,053	47,963	48,016	47,961	48,764	48,517	47,291	47,834	49,933	48,837
Operating Loss	(243,806)	(216,512)	(223,372)	(235,599)	(248,036)	(254,563)	(248,559)	(261,912)	(293,712)	(248,209)
Non-operating Revenues (Expenses)										
Sales and use tax revenue	154,914	165,026	175,902	182,355	190,726	201,495	206,125	221,850	217,147	226,406
Federal Funds	22,553	34,117	20,456	10,368	9,178	10,911	14,020	16,968	16,059	16,126
Other State and Local Funds	15,875	6,578	2,070	2,957	2,975	2,265	2,206	1,070	1,912	1,198
Federal pass-through grants revenue	11,573	4,491	502	262	187	529	122	91	144	192
Investment Income	460	417	377	433	210	(387)	289	555	640	1,625
Gain (Loss) on Commodity Transactions		4,662	2,519	2,108	618	(4,112)				
Interest Expense	(8,711)	(7,997)	(7,227)	(6,991)	(6,432)	(5,521)	(6,430)	(6,028)	(4,988)	(4,627)
Federal pass-through expenses	(11,573)	(4,491)	(502)	(261)	(187)	(529)	(122)	(91)	(144)	(192)
Other Income	2,473	1,787	2,518	80	7,773	1,934	4,668	7,412	1,784	9,875
Total Non-operating Revenues (Expenses)	187,564	204,590	196,615	191,311	205,048	206,585	220,878	241,827	232,554	250,603
Net Gain/(Loss) before Capital Grants Revenue	(56,242)	(11,922)	(26,757)	(44,288)	(42,988)	(47,978)	(27,681)	(20,085)	(61,158)	2,394
Capital Grants Revenue	48,998	50,360	30,788	27,811	50,736	51,140	64,751	31,180	37,279	31,734
Change in Net Position	($7,244)	$38,438	$4,031	($16,477)	$7,748	$3,162	$37,070	$11,095	(23,879)	34,128

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
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
2018	$ 47,539	$ 226,406	$ 16,126	$ 1,198	$ 1,625	$ 192	$ 9,875	$ 31,734	$ 334,695

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**
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
2018 **(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**
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%
2018	13.5%	1.0%	14.5%	70.5%	15.0%	85.5%	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
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
2018	$ 92,487	$ 87,404	$ 67,020	$ 48,837	$ 295,748	$ 4,627	$ 192	$ 300,567

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**
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	61.5 %	9.8 %	7.3 %	3.0 %	2.4 %	14.2 %	1.8 %	100.0 %
2016	62.8 %	8.9 %	7.6 %	2.7 %	2.7 %	13.7 %	1.6 %	100.0 %
2017(1)	61.5 %	9.8 %	7.3 %	3.0 %	2.5 %	14.2 %	1.7 %	100.0 %
2018 (2)	62.9 %	8.9 %	7.6 %	2.7 %	2.7 %	13.7 %	1.5 %	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*
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 %
2018	74.1 %	10.1 %	6.4 %	2.6 %	1.8 %	3.8 %	1.2 %	100.0 %

* Excludes Depreciation and Interest

Source:

(1) The American Public Transit Association, APTA 2019 Public Transportation Fact Book , Table 70
(2) Data for 2018 is unavailable

TABLE 7

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL SALES TAX COLLECTIONS BY INDUSTRY

2011 to 2018

Industry	2011 Amounts Collected	Percentage of Total	2012 Amounts Collected	Percentage of Total	2013 Amounts Collected	Percentage of Total	2014 Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$22,852,212	12.99 %	$23,022,352	12.62 %	$24,889,779	13.05 %	$30,949,341	13.04 %
Miscellaneous Store Retailers	18,487,401	10.51	19,596,461	10.75	15,105,521	7.92	18,808,492	7.93
General Merchandise Stores	15,195,963	8.64	15,320,790	8.40	16,135,443	8.46	20,087,254	8.47
Information (Including Telecommunications)	15,711,967	8.93	15,819,592	8.68	17,565,890	9.21	21,953,991	9.25
Accommodation and Food Services	13,977,667	7.95	14,733,174	8.08	15,239,030	7.99	18,971,924	8.00
Building Material and Garden Equipment and Supplies	9,764,911	5.55	10,815,046	5.93	9,803,331	5.14	12,236,587	5.16
Administrative and Support Services; Waste Management and Remediation Services	7,062,839	4.02	7,628,146	4.18	8,248,401	4.32	10,259,089	4.32
Health and Personal Care Stores	6,288,287	3.57	6,767,410	3.71	5,395,933	2.83	6,711,283	2.83
Clothing and Clothing Accessories Stores	7,168,223	4.08	7,632,916	4.19	7,850,868	4.12	9,764,650	4.12
Real Estate, and Rental and Leasing of Property	5,120,250	2.91	5,072,860	2.78	5,848,775	3.07	7,274,513	3.07
Other Industries	$54,272,006	30.85 %	$55,945,959	30.68 %	$64,643,308	33.89 %	$80,201,920	33.81 %
Total Sales Tax Collection	$175,901,726	100.00 %	$182,354,706	100.00 %	$190,726,279	100.00 %	$237,219,044	100.00 %

Industry	2015 Amounts Collected	Percentage of Total	2016 Amounts Collected	Percentage of Total	2017 Amounts Collected	Percentage of Total	2018 Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$44,864,815	17.96 %	$32,802,208	12.72 %	$32,877,867	11.89 %	$33,668,916	12.82 %
Miscellaneous Store Retailers	31,966,486	12.80	45,902,785	17.81	31,302,575	11.32	23,975,486	9.13
General Merchandise Stores	14,164,649	5.67	11,392,428	4.42	16,113,632	5.83	19,791,664	7.53
Information (Including Telecommunications)	20,016,563	8.02	21,161,477	8.21	21,340,648	7.72	20,899,493	7.96
Accommodation and Food Services	19,499,797	7.81	23,413,439	9.08	24,985,605	9.03	25,335,207	9.64
Building Material and Garden Equipment and Supplies	9,911,543	3.97	9,845,157	3.82	13,290,359	4.81	13,733,580	5.23
Administrative and Support Services; Waste Management and Remediation Services	9,804,294	3.93	11,288,301	4.38	11,575,378	4.19	11,136,601	4.24
Health and Personal Care Stores	5,116,705	2.05	4,879,520	1.89	5,306,481	1.92	5,250,554	2.00
Clothing and Clothing Accessories Stores	7,548,894	3.02	6,679,310	2.59	9,675,734	3.50	9,594,912	3.65
Real Estate, and Rental and Leasing of Property	7,287,216	2.92	8,781,291	3.41	9,496,329	3.43	9,636,536	3.67
Other Industries	$79,535,369	31.85 %	$81,633,524	31.67 %	$100,578,166	36.37 %	$89,662,672	34.13 %
Total Sales Tax Collection	$249,716,331	100.00 %	$257,779,440	100.00 %	$276,542,774	100.00 %	$262,685,621	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)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
OVERALL DEBT LIMITATION:										
Total Of All GCRTA Debt Outstanding	$166,328	$155,220	$142,080	$169,733	$154,195	$138,366	$136,880	$120,030	$108,415	$96,470
Exempt Debt	166,328	155,220	142,080	169,733	154,195	138,366	136,880	120,030	108,415	96,470
Net Indebtedness (Voted and Unvoted)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Assessed Valuation Of County - (Collection Year)	$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	$27,878,269
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)	1,574,853	1,481,685	1,491,317	1,489,833	1,382,624	1,384,742	1,384,742	1,376,308	1,381,187	1,393,913
Net Indebtedness (Voted and Unvoted)										
Overall Debt Margin	$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	$1,393,913
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	$31,497	$29,634	$29,826	$29,797	$27,652	$27,695	$27,695	$27,526	$27,624	$27,878
Maximum Aggregate Amount Of Principal and Interest Payable In Any One Calendar Year	(16,365)	(16,365)	(18,377)	(18,902)	(20,788)	(20,676)	(23,013)	(16,919)	(16,920)	(14,227)
Maximum Annual Debt Service Charges Permitted For New Debt Issuances	($16,365)	($16,365)	($18,377)	($18,902)	($20,788)	($20,676)	($23,013)	($16,919)	($16,920)	($14,227)

Sources:
(1) The most current population estimates are as of 7/2018 (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
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
2018	1,244	$ 27,878,269	$ —	—	0.00

Sources:
(1) The most current population estimates are as of 7/2018 (Source: State of Ohio, https://development.ohio.gov/files/rese
(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*
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
2018	$ 0	$			$ 96,470	$ 96,470	$ 16,648	1.83	—

	PERSONAL INCOME (2)	POPULATION
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
2018	$ 52,783	1,244

Source: See Personal Income Data from the Bureau of Economic Analysis

(2) https://www.bea.gov/system/files/2018-11/lapi1118_0.pdf

TABLE 11

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT (IN THOUSANDS)
DECEMBER 31, 2018
(UNAUDITED)

	GROSS DEBT	PERCENT APPLICABLE	ENTITY SHARE
Greater Cleveland Regional Transit Authority	$96,470	100.00%	$96,470
Cuyahoga County	222,260	100.00%	$222,260
Cities Wholly with the County	777,765	100.00%	$777,765
Village Wholly with the County	27,667	100.00%	$27,667
Townships Wholly with the County	1,300	100.00%	$1,300
All School Districts Wholly with in the County	1,272,907	100.00%	$1,272,907
Olmsted Falls S.D.	41,590	96.29%	$40,047
Strongsville S.D.	75,186	99.74%	$74,991
Chagrin Falls S.D.	42,665	63.78%	$27,212
Total Overlapping Debt			$2,540,618

Source: https://fiscalofficer.cuyahogacounty.us/pdf_fiscalofficer/en-US/obm/2018-AIS.pdf

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
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) %
2018	$ 302,961	$ 247,103	$ 55,858	$ 9,650	$ 4,577	$ 14,227	392.6 %

(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)
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
2018	1,248,514	2,058,844	$ 34,524,071	$ 30,441

AGE DISTRIBUTION (1)

	NUMBER	PERCENTAGE
Under 5 years	72,014	5.8%
5 – 9 yrs	70,138	5.6
10 – 14 yrs	72,487	5.8
15 – 19 yrs	76,256	6.1
20 – 24 yrs	81,003	6.5
25 – 34 yrs	172,894	13.8
35 – 44 yrs	141,947	11.4
45 – 54 yrs	159,787	12.8
55 – 59 yrs	93,443	7.5
60 – 64 yrs	86,551	6.9
65 – 74 yrs	122,326	9.8
75 – 84 yrs	65,316	5.2
85 yrs and over	34,352	2.8
TOTAL	1,248,514	100.0%
Median age		40
Males		595,713
Females		652,801

DISTRIBUTION OF HOUSEHOLDS BY INCOME BRACKET (1)

INCOME (2)	NUMBER	PERCENTAGE
$0 – 19,999	$ 125,354	23.4%
$20,000 – 29,999	61,159	11.4
$30,000 – 49,999	100,634	18.8
$50,000 – 99,999	146,050	27.3
$100,000 -199,999	78,231	14.6
OVER $200,000	23,131	4.3
TOTAL	534,559	100.0%
MEDIAN HOUSEHOLD INCOME	$ 45,289	

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):

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Civilian Labor Force	625,600	631,700	624,600	621,500	621,800	624,300	624,300	610,000	610,900	612,200
Total Employed	571,100	577,900	577,000	579,100	577,500	584,400	584,400	579,500	575,100	580,200
Total Unemployed	54,500	53,800	47,600	42,400	44,300	39,900	39,900	30,500	35,800	32,100
Unemployment Rate	8.7%	8.5%	7.6%	6.8%	7.1%	6.4%	6.4%	5.0%	5.9%	5.2%

Note: 2010-2018 data are subject to revision until the release on April 23, 2019, 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**	**%**
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
2018	74.0	12.6	77.6	13.2	281.0	47.8	49.1	8.4	45.9	7.8	36.3	6.2	23.8	4.0	587.7	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

2018 AND 2009

2018

Employer	Nature of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	44,843	7.7%
University Hospitals Health System	Health Care	21,714	3.74
Group Management Services, Inc.	Professional employer organization	15,942	2.75
U.S. Office of Personnel Management	Federal Government	14,957	2.58
Progressive Corporation	Insurance & financial company	10,370	1.79
Giant Eagle Inc.	Multi-format food, fuel & pharmacy	8,300	1.43
State of Ohio	State government	8,096	1.40
Cuyahoga County	County government	7,414	1.28
City of Cleveland	Municipal Government	6,828	1.18
The MetroHealth Systems	Health Care	6,547	1.13
	Total	145,011	25.0%
	Total County Employment	580,200	

2009

			Percentage of Total County
Cleveland Clinic Health System	Health Care	32,000	5.6%
U.S. Office of Personnel Management	Federal Government	13,489	2.36
University Hospitals Health System	Health Care	12,970	2.27
Giant Eagle Inc.	Grocery Store Chain	10,319	1.81
State of Ohio	State Government	10,201	1.79
Cuyahoga County	County Government	8,956	1.57
Progressive Corporation	Insurance	8,795	1.54
City of Cleveland	Municipal Government	8,232	1.44
United States Postal Services	U.S. Postal Services	8,195	1.43
Summa Health System	Health Care Provider	8,079	1.41
	Total	121,236	21.2%
	Total County Employment	571,100	

Sources: Crain's Cleveland Business - Book of List for 2019
Ohio Labor Market Information http://ohiolmi.com (Civilian Labor Force Estimates Query)

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING STATISTICS (1)
LAST TEN YEARS
(UNAUDITED)

	2009	2010	2011	2012**	2013	2014	2015***	2016	2017	2018*
SYSTEM RIDERSHIP:										
Motor Bus	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	22,866,545
Heavy Rail	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	6,273,379
Light Rail	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	1,638,170
Demand Responsive	410,770	550,711	579,072	647,031	704,502	751,529	702,538	633,601	593,654	587,190
BRT (Bus Rapid)**				4,629,200	4,854,519	5,084,513	4,461,433	4,609,436	4,219,838	3,764,271
AVERAGE WEEKDAY SYSTEM RIDERSHIP:										
Motor Bus	142,631	122,662	124,343	113,662	93,675	112,878	107,734	100,708	89,554	76,487
Heavy Rail	17,816	11,405	18,495	21,493	17,529	18,037	18,744	18,740	17,284	19,809
Light Rail	9,804	7,592	9,560	9,838	7,908	7,614	8,456	8,151	7,061	5,374
Demand Responsive	1,867	1,769	1,868	2,067	2,284	2,373	2,281	2,031	1,848	1,814
BRT (Bus Rapid)**				15,541	13,248	16,671	14,541	14,445	14,212	13,202
AVERAGE WEEKDAY MILES OPERATED:										
Motor Bus	65,803	51,308	48,983	39,810	41,440	42,561	43,691	42,744	47,722	45,054
Heavy Rail	5,381	2,796	5,233	5,759	6,887	7,395	7,379	7,813	7,485	7,380
Light Rail	2,380	2,025	2,042	2,008	2,331	2,523	2,561	2,320	2,015	1,972
Demand Responsive	12,752	15,322	16,161	15,160	15,604	16,682	16,614	16,738	21,329	21,844
BRT (Bus Rapid)**				2,096	2,007	2,025	1,835	1,821	1,852	1,661
REVENUE MILES:										
Motor Bus	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	12,273,895
Heavy Rail	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	2,591,822
Light Rail	756,929	661,218	715,539	699,039	785,351	830,016	844,272	776,474	683,721	678,558
Demand Responsive	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	5,581,907
BRT (Bus Rapid)**				688,062	648,031	641,081	604,862	595,789	593,086	548,717
PASSENGER MILES:										
Motor Bus	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	97,776,046
Heavy Rail	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	42,165,745
Light Rail	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	9,580,135
Demand Responsive	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	4,402,093
BRT (Bus Rapid)**				11,748,318	12,837,586	13,277,273	10,538,255	11,641,456	10,429,796	10,020,953

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

	2009	2010	2011	2012**	2013	2014	2015***	2016	2017	2018*
ENERGY CONSUMPTION:										
Motor Bus										
(gallons of fuel)	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	N/A
(gallons of compressed natural gas)***	55,495						304,409	N/A	N/A	N/A
Heavy Rail										
(kilowatt hours)	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	N/A
Light Rail										
(kilowatt hours)	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	N/A
Demand Responsive										
(gallons of fuel)	463,192	531,510	573,563	634,019	650,749	608,858	664,335	N/A	N/A	N/A
BRT (Bus Rapid)**										
(gallons of fuel)				297,054	306,899	299,018	278,075	N/A	N/A	N/A
FLEET REQUIREMENT										
DURING PEAK HOURS:										
Motor Bus	424	322	310	303	350	350	350	350	286	275
Heavy Rail	22	22	18	20	20	20	20	20	20	20
Light Rail	17	17	13	13	14	14	13	13	13	13
Demand Responsive	122	102	116	134	131	137	147	148	148	142
BRT (Bus Rapid)**				16	16	16	16	14	13	13
TOTAL ACTIVE VEHICLES										
DURING PERIOD:										
Motor Bus	506	405	403	399	391	391	375	378	361	334
Heavy Rail	60	60	44	60	60	60	40	40	40	40
Light Rail	48	48	33	48	48	48	34	48	34	34
Demand Responsive	129	120	120	146	146	158	159	166	166	160
BRT (Bus Rapid)**				21	21	21	21	24	21	24
NUMBER OF EMPLOYEES:	2,374	2,115	2,103	2,188	2,033	2,073	2,257	2,215	2,196	2,138

Source:
(1) National Transit Database Report, Urban Mass Transportation Act of 1964
*2018 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 2009 THROUGH FISCAL YEAR 2018 (IN THOUSANDS)
(UNAUDITED)

YEAR	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Capital Assets Not Being Depreciated										
Land	$ 38,563	$ 38,671	$38,510	$36,924	$37,818	$37,813	$37,813	$37,813	$37,514	$37,514
Construction in Progress	25,671	36,649	20,849	23,015	25,955	22,258	59,522	74,819	61,415	73,096
Total Capital Assets Not Being Depreciated	64,234	75,320	59,359	59,939	63,773	60,071	97,335	112,632	98,929	110,610
Capital Assets Being Depreciated:										
Infrastructure	62,285	62,879	63,009	63,192	63,233	63,461	63,461	63,461	65,654	65,976
Right of Ways	272,712	272,723	274,334	274,725	301,660	308,716	309,264	309,454	314,759	321,173
Building, Furniture & Fixtures	445,019	454,569	481,619	492,407	502,685	537,706	546,140	548,211	578,819	551,853
Transportation and Other Equipment	430,335	411,981	405,618	413,275	421,138	441,898	470,713	486,818	501,862	489,597
Bus Rapid Transit	162,440	162,334	162,353	162,344	162,344	163,027	163,102	163,516	163,605	163,663
Total Capital Assets Being Depreciated	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	1,592,262
Less Accumulated Depreciation:										
Infrastructure	12,715	14,045	15,376	16,712	18,051	19,513	21,076	22,522	23,612	22,816
Right of Ways	143,051	149,682	156,323	162,952	169,671	176,783	183,671	190,045	196,441	202,941
Building, Furniture & Fixtures	212,919	226,864	241,529	256,743	272,465	289,075	307,161	325,074	343,871	329,942
Transportation and Other Equipment	288,002	272,139	285,804	306,696	327,277	345,488	359,502	369,831	381,692	368,761
Bus Rapid Transit	4,119	7,727	11,334	14,942	18,549	22,160	25,784	29,413	33,047	36,683
Total Accumulated Depreciation:	660,806	670,457	710,366	758,045	806,013	853,019	897,194	936,885	978,663	961,143
Net Capital Assets Being Depreciated	711,985	694,029	676,567	647,898	645,047	661,789	655,486	634,575	646,036	631,119
Net Capital Assets, End of Year	$ 776,219	$ 769,349	$ 735,926	$ 707,837	$ 708,820	$ 721,860	$ 752,821	$ 747,207	$ 744,965	$ 741,729

Source: Greater Cleveland Regional Transit 2018 Financial Statements

TABLE 17

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

FAREBOX RECOVERY PERCENTAGE
LAST TEN YEARS
(UNAUDITED)

YEAR	PERCENTAGE
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
2018	19.2

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

FARE STRUCTURE
DECEMBER 31, 2018

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