

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
CUYAHOGA COUNTY, OHIO**



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Comprehensive Annual Financial Report

For the Years Ended December 31, 2020 and 2019



**Greater Cleveland
Regional Transit Authority**
Cuyahoga County, Ohio

Rev. Charles P. Lucas Jr.
President
Board of Trustees

India L. Birdsong
General Manager/
Chief Executive Officer

*Prepared By:
Division of Finance*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Title Page	
Table of Contents.....	1
Certificate of Achievement for Excellence in Financial Reporting.....	3
Letter of Transmittal.....	5
Organizational Chart.....	10
Board of Trustees and Executive Management Team	11
Community Boundaries in Cuyahoga County	12
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report.	14
Management’s Discussion and Analysis	17
Financial Statements:	
Statements of Net Position	30
Statements of Revenues, Expenses and Changes in Net Position	32
Statements of Cash Flows.....	33
Notes to Financial Statements	35
Required Supplementary Information	74
Notes to Required Supplementary Information	78

TABLE OF CONTENTS

	<u>PAGE</u>
<u>STATISTICAL SECTION</u>	
Net Position by Components – Last Ten Years	81
Changes in Net Position – Last Ten Years	82
Revenues by Source – Last Ten Years	83
Revenues and Operating Assistance - Comparison to Industry Trend Data – Last Ten Years	84
Expenses by Function – Last Ten Years.....	85
Operating Expenses - Comparison to Industry Trend Data – Last Ten Years	86
Principal Sales Tax Collections by Industry.....	87
Legal Debt Margin – Last Ten Years	88
Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita – Last Ten Years.....	89
Ratio of Outstanding Debt Type – Last Ten Years	90
Computation of Direct and Overlapping Debt – Last Ten Years	91
Long-Term Debt Coverage – Last Ten Years	92
Demographic Statistics	93
Principal Employers	95
Operating Statistics – Last Ten Years	96
Operating Information – Capital Assets – Last Ten Years.....	98
Farebox Recovery Percentage/Fare Structure – Last Ten Years	99



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, 2019

Christopher P. Morill

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, 2019. This was the thirty-second 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 29, 2021

Rev. Charles P. Lucas Jr., 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 (Annual Report) of the Greater Cleveland Regional Transit Authority (“GCRTA” or “Authority”) for the years ended December 31, 2020 and 2019. This is the thirty-third 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 controls that has been established for this purpose. Because the cost of internal controls 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 years ended December 31, 2020 and 2019. The Independent Auditor's report is located at the front of the financial section of this report.

The independent audit of the Authority's financial statements was part of a broader federally mandated “Single Audit”, designed to meet the special needs of federal grantor agencies. The standards governing the engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements of federal awards. These reports are available in the separately issued Single Audit Report and show that the authority is in full compliance with these requirements.

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. The 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 annual reports 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 Authority 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 (“GCRTA” or “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 Authority. Four of the members are appointed by the Mayor of Cleveland with the consent of the City Council; three members, one of whom must reside in the City of Cleveland, are appointed by the Cuyahoga 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 India L. Birdsong, the General Manager/Chief Executive Officer (CEO). She supervises the Chief Operating Officer (COO)/Deputy General Manager-Operations, and six Deputy General Managers who head the Finance, Engineering & Project Management, Legal Affairs, Human Resources, Administration & External Affairs, and Innovation & Technology divisions. The Internal Audit Department reports to the Board of Trustees and maintains a close working relationship with the General Manager. An organizational chart, which depicts these relationships, follows later in this introductory section.

The Authority had 2,077 employees as of December 31, 2020. The system delivered 12.6 million revenue miles of bus service and 3.2 million revenue miles on its heavy and light rail systems. The active service fleet was composed of 387 motor bus coaches, 52 heavy rail cars, 40 light rail cars, and 80 Paratransit 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 2020 were in the following industries:

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

Real property, consisting of agricultural, commercial, industrial, and residential real property is reappraised every six years. The current assessed value is estimated to be \$30.8 billion. This process is the foundation for property taxation, and it sets the debt limitation for the Authority.

CURRENT YEAR REVIEW

In 2020, the Authority navigated through the COVID-19 pandemic. As an essential service, GCRTA provided a vital public service that connected customers to medical appointments, pharmacies, grocery stores, and essential jobs. The Authority continued its pursuit to provide Greater Clevelanders with unparalleled connectivity, along with high quality service design and delivery.

This included:

- Strategically planning for the use of approximately \$112 million of Coronavirus Relief, Economic Security (CARES) Act funding.
- Balancing the need for continued services despite ridership decreasing by approximately 50% during the pandemic.
- Reducing the All-Day Pass to \$5 as recommended in the Fare Equity and System Redesign Studies.
- Continuing the focus on improving the overall state of Good Repair (SOGR) of the assets and infrastructure, including a commitment to replace the aging rail fleet.

During 2020, RTA:

- Received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) of the United States and Canada.
- Created Wi-Fi Hot Spots at a number of stations including Stephanie Tubbs Jones Transit Center, East 55th, Southgate, Cedar-University Rapid Station and bus waiting area, Windermere Transit Center and Tower City. These Hot Spots provided free Wi-Fi to our customers and enable students to log into their school sessions for virtual classrooms.
- Completed several rail and station improvement projects.

PRESENT AND FUTURE PLANS

Present and future plans include:

- Strategically planning for the use of \$67.42 million of Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding.
- Strategically planning for the use of approximately \$136.01 million of American Rescue Plan (ARP) funding.
- Implementing the recommendations from the Fare Equity Study.
- Implementing the NEXT GEN System Redesign, which provides greater frequency and connectivity for bus riders across Cuyahoga County adopting the recommendations from the System Redesign study.
- Executing plans to replace buses and trains that have surpassed their useful life.
- Completing the construction on the Triskett Garage CNG Facility upgrades.
- Completing the construction of the Cuyahoga Viaduct Rehabilitation – Phase I.
- Completing the construction of the Red Line Fiber Optic System replacement.
- Completing the construction of the East 79th Street Station ADA reconstruction (Opportunity Corridor).
- Completing work on the 25Connect project, which focuses on the future of the West 25th Street corridor.
- Planning for the Railcar replacement and reviewing rail related infrastructure improvements.

CAPITAL IMPROVEMENT PLAN

The development of the 2021 budget included the 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 2025. Totaling \$576.28 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 Car Replacement Program - \$160.25 million

This project is to replace the aging life of the heavy and light railcars.

Bus Improvement Program, Equipment & Vehicles \$125.43 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.

Rail Projects - \$118.00 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.

Operating Expenses and Other Expenses - \$84.00 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 \$84 million. These costs are recorded as operating costs in the enclosed financial statements.

Bridge Rehabilitation and Other Facility Improvements - \$73.69 million

Funding has been committed for the rehabilitation of track bridges and includes State of Good Repair projects and other facility improvements.

Local Capital Projects - \$16.75 million

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.

Other Projects \$13.41 million

Other projects include various transportation studies depending upon the availability of grant funds.


OTHER INFORMATION

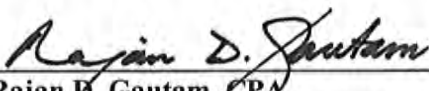
Certificate of Achievement for Financial Reporting

It is management's intention to submit this and future Comprehensive Annual Financial Report 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.

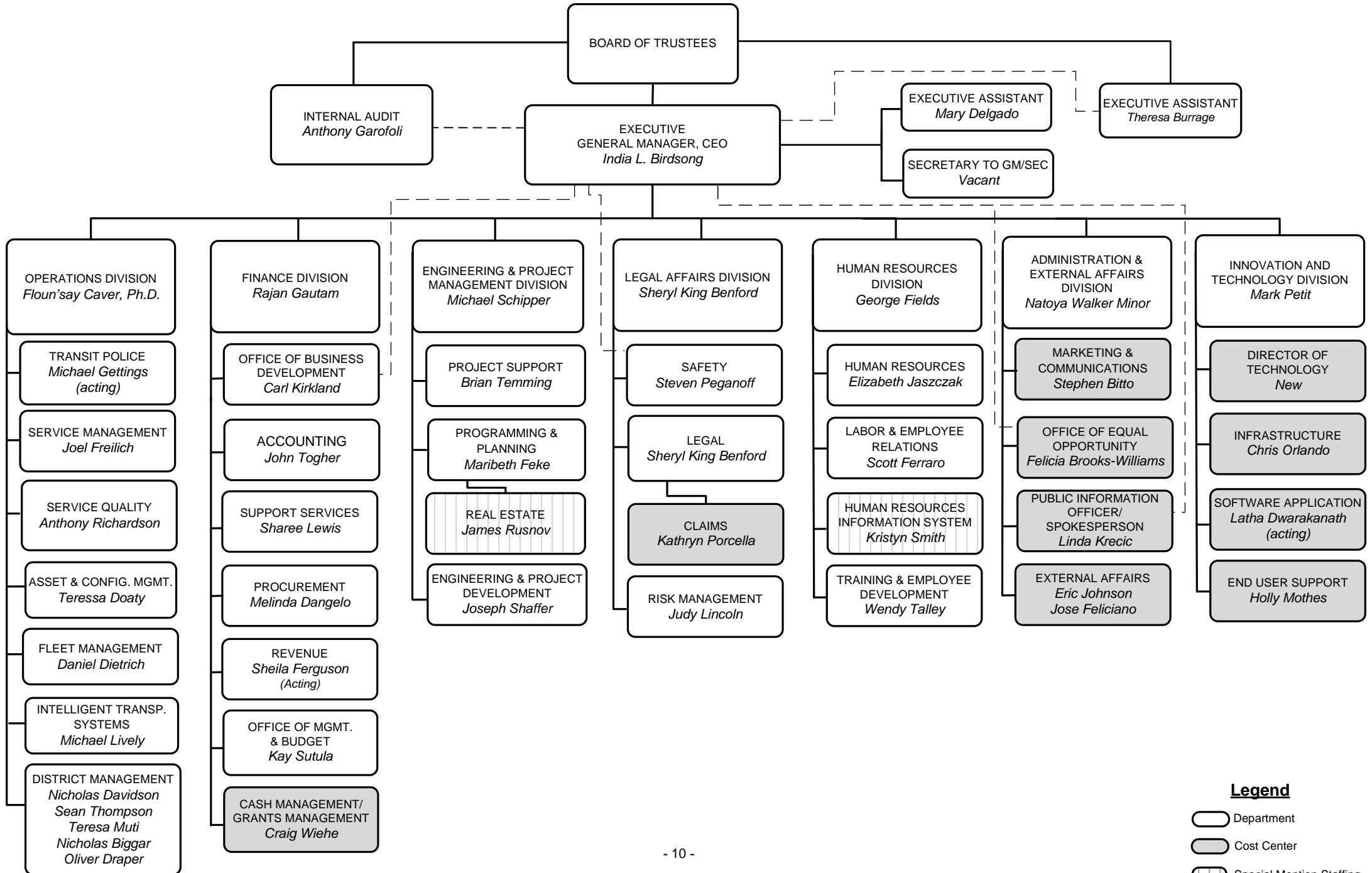
Acknowledgments

The GCRTA expresses thanks to the staff of the Accounting Department directed by John Togher for their work in preparing this report. David Pfeiffer, Mamadou Ndour, David Reynolds, Michael So, Zardik Haruthunian, 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.
Acting General Manager/CEO


Rajan D. Gautam, CPA
Deputy General Manager, Finance

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY 2021 TABLE OF ORGANIZATION



- Legend**
- Department
 - Cost Center
 - Special Mention Staffing
(not a cost center)

Board of Trustees and Executive Management Team

BOARD OF TRUSTEES

President	Rev. Charles P. Lucas Jr.
Vice President	Karen Gabriel Moss
Trustees	Michael P. Byrne Roberta Duarte Terence P. Joyce Paul A. Koomar Valarie J. McCall Luz N. Pellot Leo Serrano David E. Weiss

EXECUTIVE MANAGEMENT TEAM

India L. Birdsong
General Manager/Chief Executive Officer

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

Mark Petit
Deputy General Manager,
Innovation & Technology

Floun'say R. Caver, Ph.D.
Chief Operating Officer/Deputy General
Manager – Operations

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

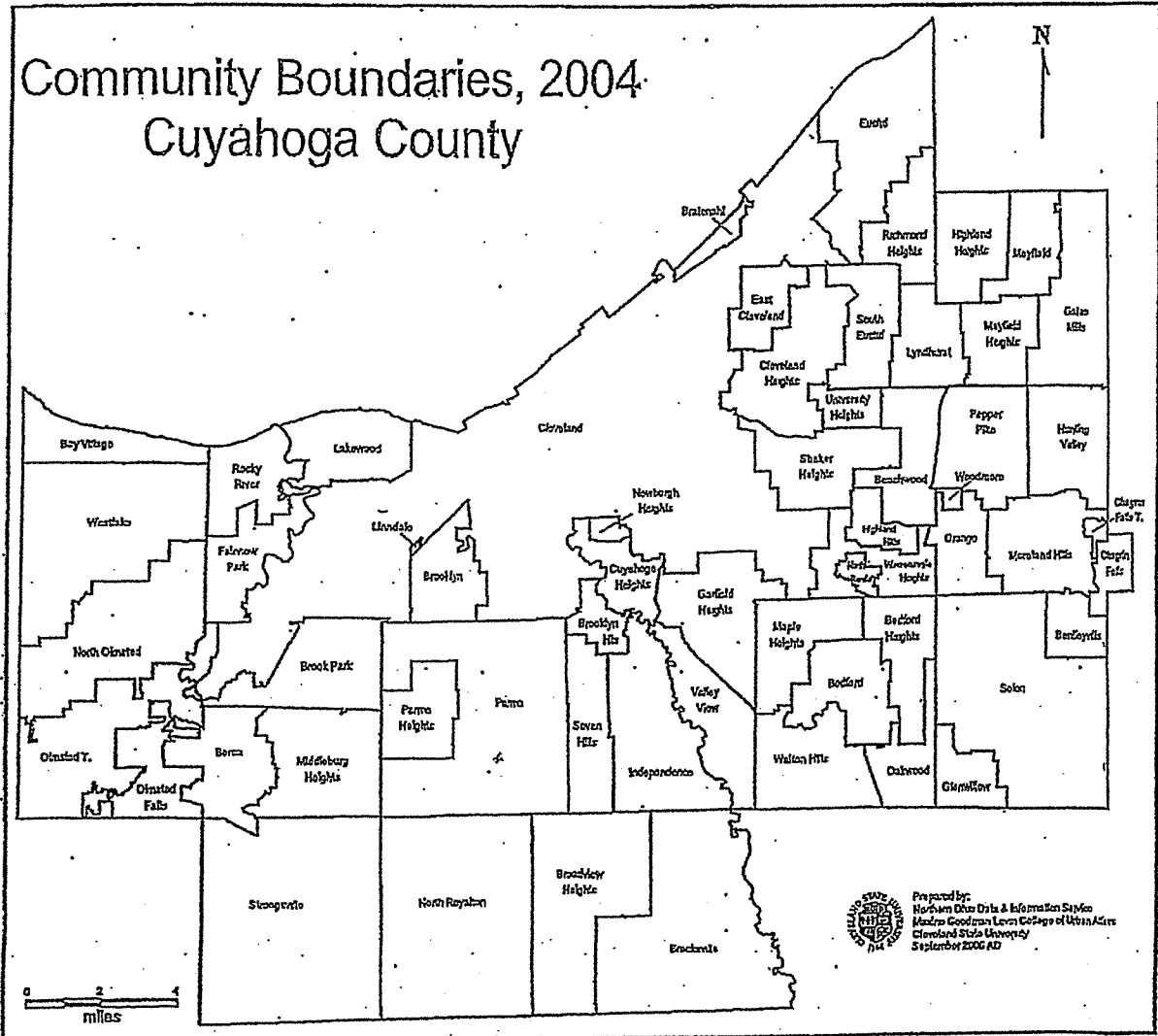
George Fields
Deputy General Manager,
Human Resources

Natoya J. Walker Minor
Deputy General Manager,
Administration & External Affairs

Rajan D. Gautam, CPA
Deputy General Manager,
Finance/Secretary-Treasurer

Anthony A. Garofoli
Executive Director, Internal Audit

Cuyahoga County
Cleveland, Ohio



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2020

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, 2020 and 2019, 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio, as of December 31, 2020 and 2019, and the respective 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 15 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. 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 29, 2021, 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 29, 2021

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, 2020 and December 31, 2019. 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

- Current assets increased by \$135.6 million (72.8%) in 2020 compared to 2019. This increase is primarily due to the funding under the Coronavirus Aid Relief, and Economic Security Act, (CARES Act).
- Current liabilities increased by \$4.5 million (6.9%) in 2020 compared to 2019. Current liabilities increased by \$9.0 million (16.3%) in 2019 compared to 2018.
- The Authority's non-current liabilities decreased by \$93.8 million (17.3%) in 2020 compared to 2019. This decrease is due mostly to the effect of GASB 68 and GASB 75 relating to the accounting for pension and postemployment benefits, please see financial statement Notes 7 and 8 for additional details. Non-current liabilities increased by \$147.6 million (37.5%) in 2019 compared to 2018.
- The Authority's non-current assets decreased by \$39.6 million (71.6%) in 2020 compared to 2019. This decrease is due mostly to the effect of several construction in progress expenditures that were initiated in 2020, please see financial statement Note 5 for additional details.
- The Authority's net position increased by \$98.7 million (21.8%) in 2020 compared to a decrease of \$44.4 million (8.9%) in 2019. This increase in net position is due mostly to the Authority receiving \$111.9 million, which offset revenue losses and expenses as a result of the CARES Act.

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 30 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,		
	2020	2019	2018
Assets and Deferred Outflows of Resources:			
Current assets	\$ 321.7	\$ 186.1	\$ 109.0
Other noncurrent assets	15.7	55.3	85.5
Capital assets (net of accumulated depreciation)	726.1	721.0	741.7
Total Assets	1,063.5	962.4	936.2
Deferred Outflows of Resources	60.8	99.0	54.1
Total Assets and Deferred Outflows of Resources:	1,124.3	1,061.4	990.3
Liabilities and Deferred Inflows of Resources:			
Current liabilities	68.5	64.1	55.1
Noncurrent liabilities	447.0	540.8	393.2
Total Liabilities	515.5	604.9	448.3
Deferred Inflows of Resources	57.6	4.0	45.1
Total Liabilities and Deferred Inflows of Resources:	573.1	608.9	493.4
Net position:			
Net Investment in Capital Assets	601.1	584.1	630.4
Restricted	145.8	16.7	15.6
Unrestricted	(195.7)	(148.3)	(149.1)
Total Net position	551.2	452.5	496.9
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,124.3	\$ 1,061.4	\$ 990.3

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 \$551.2 million as of December 31, 2020, which is a \$98.7 million increase from the year ended December 31, 2019. This increase is primarily due to the funding under the CARES Act.

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

The Authority adheres to the standards established by the Government Accounting Standards Board 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 other postemployment benefit obligations (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,		
	2020	2019	2018
Operating revenues:			
Passenger fares	\$ 26.2	\$ 44.8	\$ 45.1
Advertising and concessions	2.4	2.2	2.4
Total operating revenues	<u>28.6</u>	<u>47.0</u>	<u>47.5</u>
Operating expenses, excluding depreciation:			
Labor and fringe benefits	(201.2)	(225.0)	(183.0)
Materials and supplies	(24.2)	(29.9)	(25.1)
Services	(15.9)	(17.0)	(15.7)
Utilities	(6.2)	(7.2)	(6.6)
Casualty and liability	(4.2)	(11.0)	(4.3)
Purchased transportation	(6.0)	(8.6)	(9.4)
Leases and rentals	(0.3)	(0.3)	(0.4)
Taxes	(0.9)	(0.8)	(0.8)
Miscellaneous	(1.6)	(1.8)	(1.6)
Total operating expenses before depreciation	(260.5)	(301.6)	(246.9)
Depreciation expense	(44.3)	(48.1)	(48.8)
Total operating expenses	<u>(304.8)</u>	<u>(349.7)</u>	<u>(295.7)</u>
Operating loss	(276.2)	(302.7)	(248.2)
Non-operating revenues (expenses):			
Sales and Use Tax revenue	209.4	215.5	226.4
Federal operating grants and reimbursements	130.6	20.2	16.1
State/local operating grants and reimbursements	9.8	1.6	1.2
Federal pass-through grants revenue		0.1	0.2
Federal pass-through expenses		(0.1)	(0.2)
Investment income	1.7	3.7	1.6
Interest expense	(4.4)	(4.4)	(4.6)
Other income	3.1	1.9	9.9
Total non-operating revenues	<u>350.2</u>	<u>238.5</u>	<u>250.6</u>
Net gain/(loss) before capital grant revenue	74.0	(64.2)	2.4
Capital grants revenue:			
Federal	24.7	19.8	31.7
State			
Total capital grants revenue	<u>24.7</u>	<u>19.8</u>	<u>31.7</u>
Increase/(Decrease) in net position	98.7	(44.4)	34.1
Net position, beginning of year	452.5	496.9	564.4
Cumulative effect of change in accounting principle (see Note 2)			(101.6)
Net position, end of year	<u>\$ 551.2</u>	<u>\$ 452.5</u>	<u>\$ 496.9</u>

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, 2020 decreased by \$18.6 million (41.5%), compared with that from year ended December 31, 2019. This decrease is attributed to a decline in ridership resulting from Covid-19 pandemic with passengers working from home instead of going to their work place.

Passenger fare revenue for the year ended December 31, 2019 decreased by \$.39 million (.9%) compared with that from year ended December 31, 2018. This decrease is a result of the decline in ridership resulting from lower gasoline prices during 2019.

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 54.0% of the Authority's revenue for year ended December 31, 2020. Sales tax revenue accounted for 74.3% of the Authority's revenue for year ended December 31, 2019, and for 74.7% for year ended December 31, 2018. The decrease in Sales and Use Tax revenue as a percentage of total revenue in 2020, can be attributed the economic relief in the form of CARES Act.

Revenue received from sales and use tax for the year ended December 31, 2020 decreased approximately \$6.1 million (2.8%) compared to \$10.9 million (4.8%) decrease in the year ended December 31, 2019 from the year ended December 31, 2018. The decrease in 2020 is attributable to the negative impact that Covid-19 had on the U.S. economy which resulted in lower consumption of taxable products.

Federal Operating Grants and Reimbursements – The Authority receives preventive maintenance reimbursement funds to cover the costs of certain inventory purchases and maintenance costs incurred. Also, the Authority received \$111.9 million from the CARES Act, which was used to offset revenue losses and expenses as a result of the Covid-19 pandemic. For the years ended December 31, 2020, 2019 and 2018, the Authority received approximately \$130.6 million, \$20.2 million, and \$16.1 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, 2020, the Authority received \$9.8 million in this category, a 505.0% increase from the year ended December 31, 2019. In the year ended December 31, 2019, the Authority received \$1.6 million in this category, a 33.3% increase from the year ended December 31, 2018.

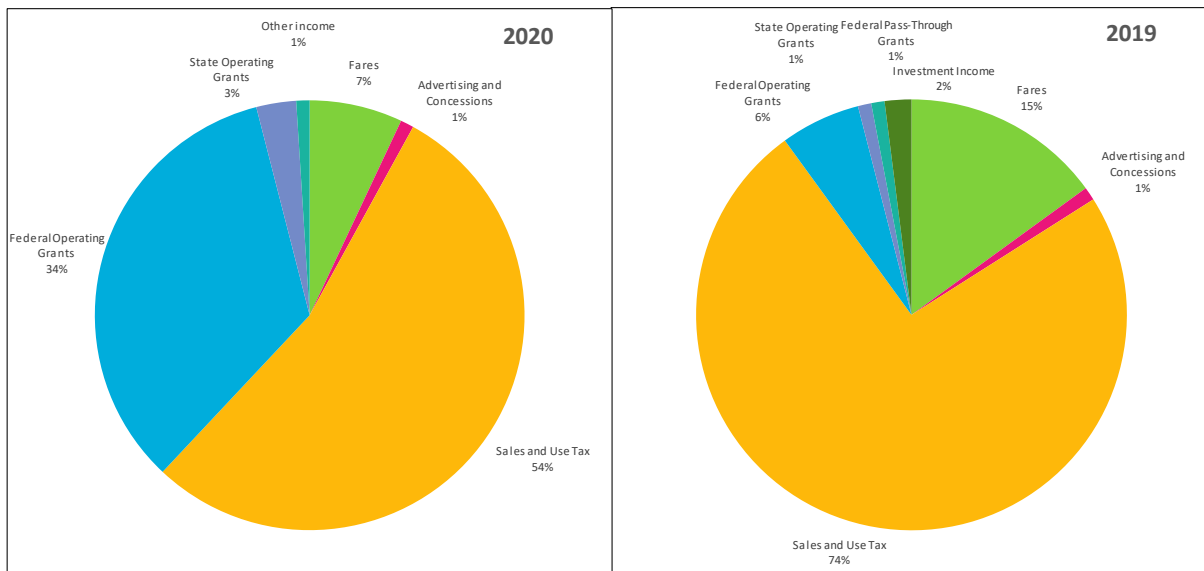
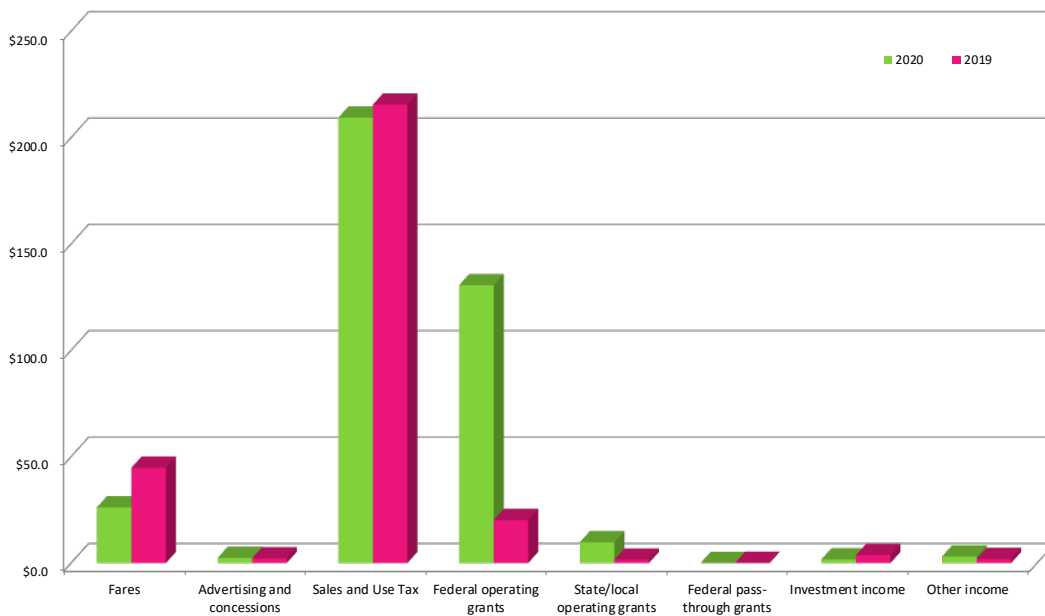
Investment Income – Investment income decreased by \$2.0 million (54.1%) in year ended December 31, 2020, compared to an increase of \$2.1 million (131.2%) in the year ended December 31, 2019. The decrease in 2020 is attributed to the decrease in interest rates on investments as compared to prior years.

Other Income – Other income increased by \$1.2 million in the year ended December 31, 2020, compared to a decrease of \$8.0 million in the year ended December 31, 2019. Over half of the 2018 increase was due to the sale of Brooklyn and Harvard garages, totaling \$4.4 million.

Revenue

Millions of Dollars

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Fares	\$26.2	\$44.8	(\$18.6)	(41.5) %
Advertising and concessions	2.4	2.2	0.2	9.1
Sales and Use Tax	209.4	215.5	(6.1)	(2.8)
Federal operating grants	130.6	20.2	110.4	546.5
State/local operating grants	9.8	1.6	8.2	505.0
Federal pass-through grants	-	0.1	(0.1)	(100.0)
Investment income	1.7	3.7	(2.0)	(54.1)
Other income	3.1	1.9	1.2	63.2
Total	<u>\$383.2</u>	<u>\$290.0</u>	<u>\$93.2</u>	<u>32.1</u> %



Expenses

Labor and Fringe Benefits: The personnel and related costs decreased by \$23.8 million (10.5%) in the year ended December 31, 2020, compared to that of the year ended December 31, 2019. For the fiscal year 2019, the personnel and related costs increased by \$41.9 million (22.9%) in the year ended December 31, 2019, compared to that of the year ended December 31, 2018. The decrease and increase in expenses from year to year can be attributed to the application of the GASB standards (GASB 68 and GASB 75), relating to reporting for the state's pension plans and postemployment benefits.

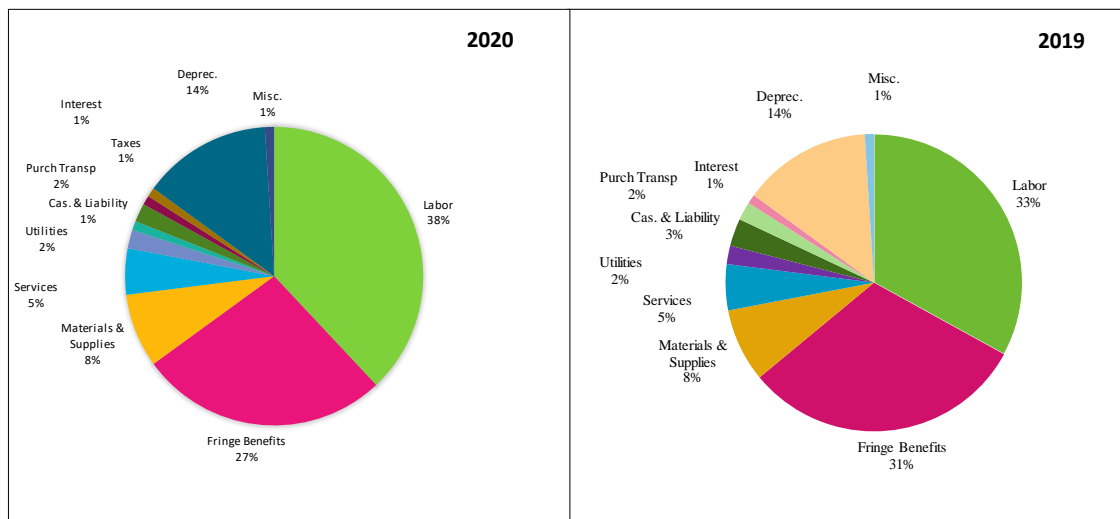
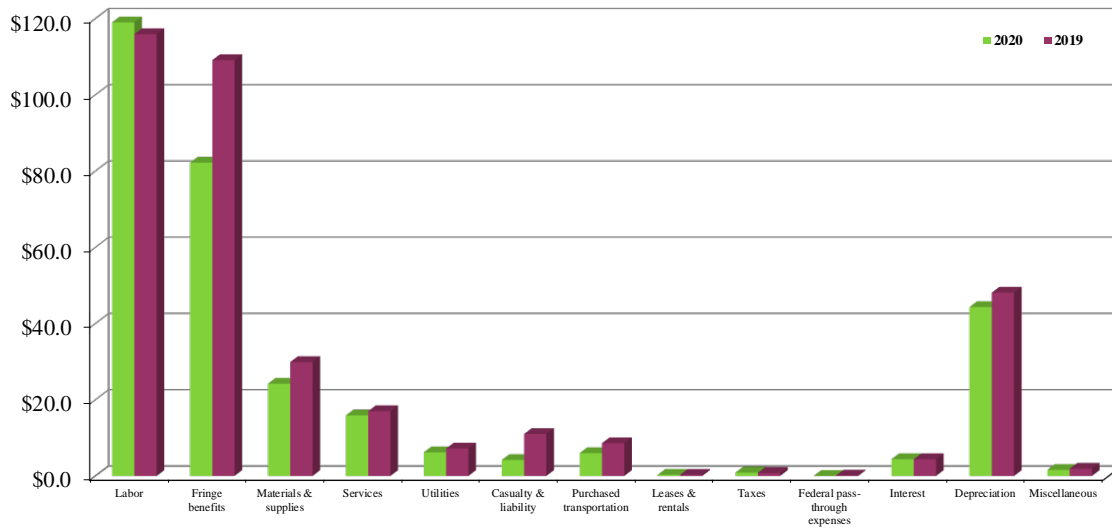
Materials and Supplies: The costs in this category decreased by \$5.7 million (19.1%) in the year ended December 31, 2020, compared to the year ended December 31, 2019. The costs in this category increased by \$4.8 million (19.1%) in the year ended December 31, 2019, compared to the year ended December 31, 2018. The increase is a result of updating the communications systems on all Authority vehicles.

Services: The costs in this category decreased by \$1.1 million (6.5%) in the year December 31, 2020, compared to the year ended December 31, 2019. The decrease is due to decreased costs for various service and administrative contracts. The costs in this category increased by \$1.3 million (8.3%) in the year December 31, 2019, compared to the year ended December 31, 2018. The increase is due to increased costs in the predictive maintenance program, and increased costs for various maintenance contracts.

Casualty and Liability: These costs decreased by \$6.8 million (61.8%) for year ended December 31, 2020 compared to the year ended December 31, 2019, which was due to lower claims in 2020 versus 2019. These costs increased by \$6.7 million (155.8%) for year ended December 31, 2019 compared to the year ended December 31, 2018, which was due to higher claims reported in the 2019 fiscal year.

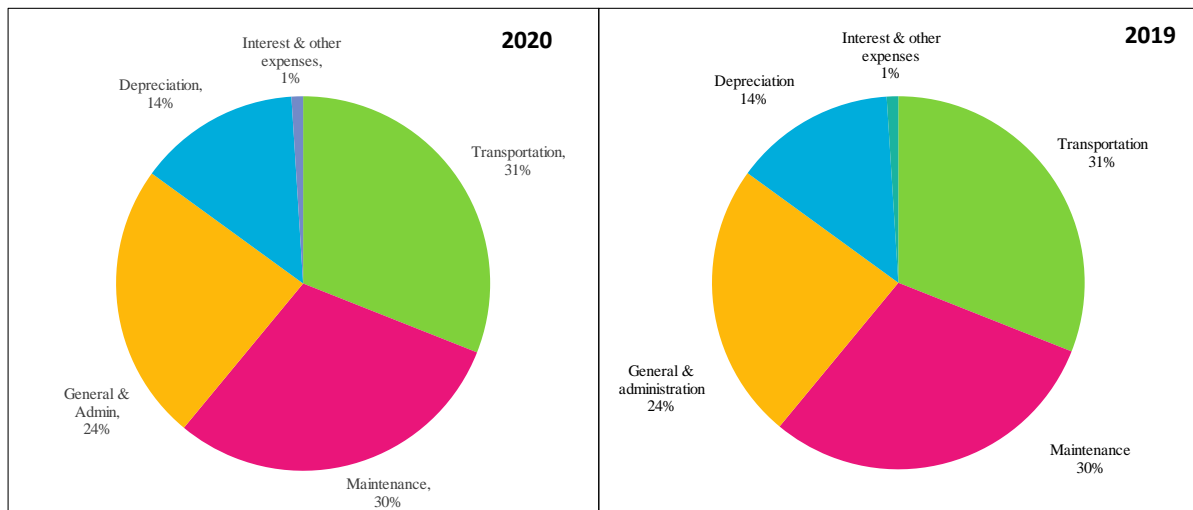
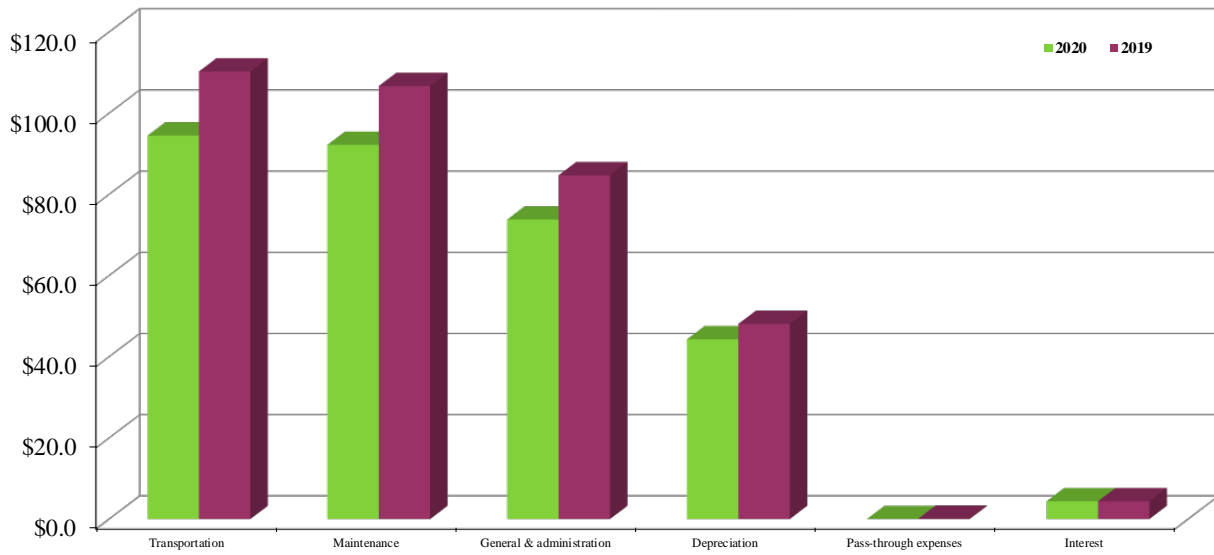
Expenses by Object Class Millions of Dollars

	2020	2019	Increase/(Decrease)	
			Amount	Percent
Labor	\$119.0	\$115.9	\$3.1	2.7 %
Fringe benefits	82.2	109.1	(26.9)	(24.7)
Materials & supplies	24.2	29.9	(5.7)	(19.1)
Services	15.9	17.0	(1.1)	(6.5)
Utilities	6.2	7.2	(1.0)	(13.9)
Casualty & liability	4.2	11.0	(6.8)	(61.8)
Purchased transportation	6.0	8.6	(2.6)	(30.2)
Leases & rentals	0.3	0.3	-	0.0
Taxes	0.9	0.8	0.1	12.5
Federal pass-through expenses	0.0	0.1	(0.1)	(100.0)
Interest	4.4	4.4	-	0.0
Depreciation	44.3	48.1	(3.8)	(7.9)
Miscellaneous	1.6	1.9	(0.3)	(15.8)
Total	\$309.2	\$354.3	(\$45.1)	(12.7) %



Expenses by Function Millions of Dollars

	<u>2020</u>	<u>2019</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Transportation	\$94.5	\$110.3	(\$15.8)	(14.3) %
Maintenance	92.2	106.7	(14.5)	(13.6)
General & administration	73.8	84.7	(10.9)	(12.9)
Depreciation	44.3	48.1	(3.8)	(7.9)
Pass-through expenses	0.0	0.1	(0.1)	(100.0)
Interest	4.4	4.4	-	0.0
Total	<u>\$309.2</u>	<u>\$354.3</u>	<u>(\$45.1)</u>	<u>(12.7) %</u>



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The largest portion of the Authority's net position is reflected in the investment in capital assets, (buses, rail cars, right-of-way, and operating facilities), net of accumulated depreciation and 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.

The construction in progress balance at December 31, 2020 included costs associated with a portion of the following;

- Tower City Track Reconstruction
- Trunk Line Track Rehabilitation Section- Kinsman to Buckeye-Woodhill
- East 79th Street Reconstruction

During 2019, major construction projects totaling \$24.8 million were completed and transferred to the appropriate property and facilities accounts. Major projects during 2019 included the East 116th Station Reconstruction project with a total cost of \$6.4 million, and the Opportunity Corridor Section One (East 105th Street) Reconstruction project with a cost of \$4.7 million.

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.

Readers desiring more detailed information on the Authority's capital assets related activities should read Note 5 - Capital Assets on page 46, 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 7, 2019, the Authority issued \$30,000,000 in sales tax supported bonds to finance certain capital improvements to the Authority's transportation system and pay the costs of issuance of these bonds. The Series 2019 bonds will mature on December 1 of each year beginning 2020, through December 1, 2039 in the principal amounts and will bear interest at the rates set forth in the bond issuance official statement.

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 3% 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 4.23% to 5.00% per annum, and mature in various installments though December 1, 2024.

For more information, see Note 6 on page 47 of this report.

Total outstanding bonds payable as of December 31, 2020 include:

<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Principal</u>	<u>2020 Balance</u>	<u>Interest Rate</u>
<u>Sales Tax Supported and Refunding Bonds</u>					
Series 2012	6/7/2012	12/1/2024	\$ 42,390,000	\$ 10,500,000	4.50%
Series 2014A	4/16/2014	12/1/2025	\$ 13,360,000	\$ 10,305,000	4.00%
Series 2014B	4/16/2014	12/1/2020	\$ 16,340,000	\$ -	1.51%
Series 2015	4/16/2015	12/1/2034	\$ 51,425,000	\$ 41,360,000	5.00%
Series 2016	5/26/2016	12/1/2031	\$ 15,410,000	\$ 15,000,000	3.00%
Series 2019	5/7/2019	12/1/2039	\$ 30,000,000	\$ 29,095,000	5.00%
Total Sales Tax Supported Bonds				\$ 106,260,000	
Premium				\$ 19,303,677	
Total Bonds Payable				<u>\$ 125,563,677</u>	

Total outstanding bonds payable as of December 31, 2019 include:

<u>Series</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Original Principal</u>	<u>2019 Balance</u>	<u>Interest Rate</u>
<u>Sales Tax Supported and Refunding Bonds</u>					
Series 2012	6/7/2012	12/1/2024	\$ 42,390,000	\$ 13,660,000	4.50%
Series 2014A	4/16/2014	12/1/2025	\$ 13,360,000	\$ 13,360,000	4.00%
Series 2014B	4/16/2014	12/1/2020	\$ 16,340,000	\$ 540,000	1.51%
Series 2015	4/16/2015	12/1/2034	\$ 51,425,000	\$ 44,250,000	5.00%
Series 2016	5/26/2016	12/1/2031	\$ 15,410,000	\$ 15,010,000	3.00%
Series 2019	5/7/2019	12/1/2039	\$ 30,000,000	\$ 30,000,000	5.00%
Total Sales Tax Supported Bonds				\$ 116,820,000	
Premium				\$ 21,244,434	
Total Bonds Payable				\$ 138,064,434	

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, Greater Cleveland Regional Transit Authority, 1240 W. 6th Street, Cleveland, Ohio 44113.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statement of Net Position

As of December 31, 2020 and 2019

Assets and Deferred Outflows of Resources	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash and cash equivalents	\$ 5,597,403	\$ 3,436,397
Investments	202,185,048	51,872,560
Restricted for capital assets:		
Cash and cash equivalents	9,567,772	1,213,002
Investments	9,662,836	34,005,922
Restricted for debt service:		
Cash and cash equivalents	5,928,339	7,122,612
Receivables:		
Sales & use tax	57,157,650	57,973,409
Trade & accrued interest	3,090,224	3,743,504
Naming rights - current portion	640,852	663,100
State capital assistance		17,636
Federal capital assistance	6,550,198	6,837,582
Commodity swap transactions - current portion	620,823	63,995
Material & supplies inventory	18,836,487	16,642,987
Deposits & Other Assets	<u>1,894,006</u>	<u>2,553,943</u>
Total current assets	321,731,638	186,146,649
Non-current Assets:		
Restricted for capital assets:		
Investments	5,077,100	13,349,536
Investments	5,077,100	36,333,341
Naming Rights	4,210,731	5,087,124
Commodity swap transactions	316,726	
Net Pension Asset - OPERS	<u>1,011,869</u>	<u>538,184</u>
Total non-current assets	15,693,526	55,308,185
Capital assets:		
Land	38,052,541	38,181,267
Infrastructure	67,054,490	66,999,000
Right-of-ways	321,358,806	321,358,806
Buildings, improvements, furniture & fixtures	569,954,894	569,170,700
Transportation & other equipment	488,354,973	480,082,009
Bus rapid transit	163,663,562	163,663,562
Construction in progress	<u>119,361,345</u>	<u>79,549,672</u>
Total capital assets	1,767,800,611	1,719,005,016
Less : Accumulated depreciation	<u>(1,041,723,003)</u>	<u>(998,044,531)</u>
Capital assets - net	<u>726,077,608</u>	<u>720,960,485</u>
Total non-current assets and capital assets	<u>741,771,134</u>	<u>776,268,670</u>
Total Assets	<u>\$ 1,063,502,772</u>	<u>\$ 962,415,319</u>
Deferred Outflows of Resources		
Deferred Outflows of Resources - Refunding	561,094	1,173,198
Deferred Outflows of Resources - OPEB	23,679,574	11,836,387
Deferred Outflows of Resources - Pension	<u>36,636,069</u>	<u>85,977,068</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,124,379,509</u>	<u>\$ 1,061,401,972</u>

The accompanying notes are an integral part of these financial statements

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statement of Net Position

(Continued)

As of December 31, 2020 and 2019

Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>2020</u>	<u>2019</u>
Current liabilities:		
Accounts payable	\$ 12,970,459	\$ 7,743,185
Contracts & other payables	11,079,313	10,584,437
Contract retainers	1,885,175	1,120,099
Interest payable - bonds	474,809	474,809
Accrued wages & benefits	12,269,919	12,429,603
Current portion - compensated absences	3,387,810	3,839,257
Current portion - long-term debt	11,345,000	10,560,000
Current portion - self-insurance liabilities	14,480,255	13,723,547
Current portion - unearned revenue	<u>657,624</u>	<u>3,621,453</u>
Total current liabilities	68,550,364	64,096,390
Non-current liabilities		
Compensated absences	7,311,690	7,101,039
Long term debt	114,218,677	127,504,434
Self-insurance liabilities	8,619,979	8,619,650
Net Pension Liability - OPERS	186,049,191	268,388,986
Net OPEB Liability - OPERS	125,441,318	123,074,664
Unearned revenue	4,210,731	4,916,583
Other Long Term Liabilities	<u>1,174,796</u>	<u>1,174,795</u>
Total non-current liabilities	<u>447,026,382</u>	<u>540,780,151</u>
Total liabilities	515,576,746	604,876,541
Deferred Inflows of Resources :		
Deferred Inflows of Resources - OPEB	17,859,624	333,939
Deferred Inflows of Resources - Pension	<u>39,792,014</u>	<u>3,677,383</u>
Total Liability and Deferred Inflows of Resources	573,228,384	608,887,863
Net Position		
Net Investment in Capital Assets	601,075,026	584,069,249
Restricted for Capital Projects	110,331,552	(19,928,168)
Restricted for Debt Service	35,472,689	36,647,642
Unrestricted	<u>(195,728,142)</u>	<u>(148,274,614)</u>
Total net position	<u>551,151,125</u>	<u>452,514,109</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 1,124,379,509</u>	<u>\$ 1,061,401,972</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Passenger fares	\$ 26,194,833	\$ 44,771,362
Advertising and concessions	2,415,283	2,229,727
Total operating revenues	28,610,116	47,001,089
Operating expenses, excluding depreciation:		
Labor and fringe benefits	201,231,750	224,973,625
Materials and supplies	24,180,210	29,940,768
Services	15,865,386	17,019,015
Utilities	6,206,382	7,164,292
Casualty and liability	4,167,052	10,950,985
Purchased transportation	6,000,957	8,590,896
Leases and rentals	283,463	358,686
Taxes	890,065	841,380
Miscellaneous	1,654,909	1,823,273
Total operating expenses before depreciation	260,480,174	301,662,920
Depreciation expense	44,346,635	48,060,852
Total operating expenses	304,826,809	349,723,772
Operating loss	(276,216,693)	(302,722,683)
Non-operating revenues (expenses):		
Sales and tax revenue	209,331,710	215,512,064
Federal operating grants and reimbursements	130,593,248	20,192,744
State/local operating grants and reimbursements	9,781,158	1,616,685
Federal pass-through grants revenue	-	69,786
Federal pass-through expense	-	(69,786)
Investment income	1,711,016	3,735,989
Interest expense	(4,369,056)	(4,469,980)
Other income	3,122,569	1,924,663
Total non-operating income	350,170,645	238,512,165
Net loss before capital grant revenue	73,953,952	(64,210,518)
Capital grants revenue:		
Federal	24,683,064	19,783,152
State	-	25,000
Total capital grants revenue	24,683,064	19,808,152
Increase in net position	98,637,016	(44,402,366)
Net position, beginning of year	452,514,109	496,916,475
Net position, ending of year	<u>\$ 551,151,125</u>	<u>\$ 452,514,109</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from customers	\$ 27,070,793	\$ 47,322,071
Cash payments to suppliers for goods and services	(72,047,003)	(68,721,662)
Cash payments to employees for services and payroll taxes	(119,249,642)	(135,787,750)
Cash payments for employee benefits	(71,163,839)	(58,710,992)
Cash payments for casualty and liability	(1,717,806)	(10,642,531)
Other receipts	2,422,516	1,924,663
Net cash used in operating activities	<u>(234,684,981)</u>	<u>(224,616,201)</u>
Cash flows from noncapital financing activities:		
Sales and use taxes received	210,147,468	212,192,078
Grants, reimbursements, and special fare assistance:		
Federal	111,374,468	20,192,744
State and local	9,318,800	1,616,685
Net cash provided by noncapital financing activities	<u>330,840,737</u>	<u>234,001,507</u>
Cash flows from capital and related financing activities:		
Federal capital grant revenue	59,694,547	15,204,322
State capital grant revenue	29,649	7,364
Acquisition and construction of capital assets	(43,915,234)	(14,784,844)
Proceeds from new debt	-	36,071,289
Principal paid on bonds payable and other debt	(10,560,000)	(9,650,000)
Interest paid on bonds and other debt	(5,697,710)	(2,833,827)
Net cash provided/ (used) in capital and related financing activities	<u>(448,747)</u>	<u>24,014,304</u>
Cash flows from investing activities:		
Purchases of investments	(88,699,657)	(331,541,706)
Proceeds from maturities of investments		300,689,496
Interest received from investments	2,314,151	3,735,989
Net cash used by investing activities	<u>(86,385,506)</u>	<u>(27,116,221)</u>
Net increase/(decrease) in cash and cash equivalents	9,321,503	6,283,389
Cash and cash equivalents, beginning of year	<u>11,772,011</u>	<u>5,488,622</u>
Cash and cash equivalents, end of year	<u>\$ 21,093,514</u>	<u>\$ 11,772,011</u>
Supplemental cash flows disclosures:		
Noncash investing and capital and related financing activities:		
Increase/ (Decrease) in fair value of investments	<u>\$ (25,470)</u>	<u>\$ 586,829</u>
Decrease in long-term debt due to deferred refunding costs, premium, and amortization.	<u>\$ 1,940,757</u>	<u>\$ 1,629,445</u>

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

(Continued)

For the years ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (276,216,693)	\$ (302,722,683)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	44,346,635	48,060,852
Accrual Adjustments	0	31,433,282
Other receipts classified as non operating income	2,422,516	1,924,663
Non-Cash Accrual Adjustments related to Employee Benefits		
Change in assets and Liabilities		
(Increase)/ decrease in other receivables	(653,280)	(532,630)
(Increase)/ decrease in naming rights receivable	(898,641)	40,000
(Increase)/ decrease in Deferred Outflows	(38,109,916)	(44,809,126)
(Increase)/ decrease in deposits	(659,937)	(442,191)
(Increase)/ decrease in unearned revenue	(3,669,681)	(742,212)
(Increase)/ decrease in materials and supply inventory	2,193,499	(1,214,814)
(Increase)/ decrease in accounts payable, pension, accrued compensation, self-insurance liabilities and other	36,560,517	44,388,658
Net cash used in operating activities	\$ <u>(234,684,981)</u>	\$ <u>(224,616,201)</u>

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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 2020... 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 2020 and 2019.

- C) **COVID-19 Impact** – On March 27, 2020, the Coronavirus Aid Relief, and Economic Security Act (CARES Act) was signed into law, allocating funding to transit agencies, including those operating within the Cleveland Urbanized Area, pursuant to Pub. L. 116-136. The CARES Act provided \$25 billion for public transit. Of the \$25 billion, the Authority received \$111,977,170, which offset revenue losses and expense as a result of the Covid-19 pandemic.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which includes \$900 billion in supplemental appropriations for COVID-19 relief, \$14 billion of which will be allocated to support the transit industry during the COVID 19 public health emergency, was signed into law. Of the \$14 billion, the Authority will receive \$67,416,467.

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 –During fiscal years 2020 and 2019, the Authority invested in the State Treasury Asset Reserve of Ohio, STAR Ohio. STAR Ohio, is an investment pool managed by the State Treasurer's Office which allows local governments within the State to pool their funds for investment purposes. There were no limitations or restrictions on any participant withdrawals due to redemption notice periods or liquidity fees.

Investments - Investments are stated at fair value using published market quotations. Investments with maturities of less than one year are considered short-term.

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 are charged to operations as incurred.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 Other Post-Employment Benefits (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 refunding. 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. More detailed information can be found in Note 7.

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 position 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. More detailed information can be found in Note 8.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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), provide financial assistance and make 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 when the economic activity occurred, from 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 – More than 43.1% percent of all Governmental Fund revenue at the Authority is derived from grants. While grant revenue helps insulate the Authority from economic swings, the timing of project expenditures, which often cross fiscal years, can have a significant impact on year end balances.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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.

	2020	2019
Beginning Balance	\$ 10,940,296	\$ 11,260,526
Incurred	9,792,595	9,950,731
Payments	<u>(10,033,391)</u>	<u>(10,270,961)</u>
Balance, End of Year	<u>\$ 10,699,500</u>	<u>\$ 10,940,296</u>
	<u> </u>	<u> </u>
Due Within One Year	<u>\$ 3,387,810</u>	<u>\$ 3,839,257</u>

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 are 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.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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)		<u>(104,132,785)</u>
Cumulative effect due to change in Accounting Principle		<u>(101,601,853)</u>
 Net Position December 31, 2017 - restated	 \$	 <u><u>462,787,821</u></u>

Newly Issued Accounting Pronouncements:

As of the report date, the Authority implemented or is in the process of evaluating implementation of the following Governmental Accounting Standards and Implementation Guides issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No.95, Postponement of the Effective Dates of Certain Authoritative Guidance, issued in May 2020 and effective immediately, delays the implementation of certain provisions in Statements and Implementation Guides that first became effective or are schedule to become effective for periods beginning after June 15, 2018 and later. The primary objective of this Statement is to provide temporary relief to government and other stakeholders in light of the COVID-19 pandemic.

GASB Statement No. 87, Leases, issued June 2017. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. 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.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following is a listing of deposits and investments held by the Authority at December 31, 2020 and 2019:

	2020	2019
Demand deposits	\$ 21,035,964	\$ 11,714,311
Cash on hand	57,550	57,700
Investments	<u>222,002,084</u>	<u>135,561,359</u>
Total	<u>\$ 243,095,598</u>	<u>\$ 147,333,370</u>
Bank balance	<u>\$ 22,432,187</u>	<u>\$ 12,957,142</u>

The deposits and investments of the Authority at December 31, 2020 and 2019 are reflected in the financial statements as follows:

	2020	2019
Current Assets:		
Cash and cash equivalents	\$ 5,597,403	\$ 3,436,397
Investments	202,185,048	51,872,560
Restricted Assets:		
Cash and cash equivalents	15,496,111	8,335,614
Investments	9,662,836	34,005,922
Noncurrent Assets:		
Investments - Restricted for capital assets	5,077,100	13,349,536
Investments	<u>5,077,100</u>	<u>36,333,341</u>
Total deposits and investments	<u>\$ 243,095,598</u>	<u>\$ 147,333,370</u>

The deposits and investments of the Authority are governed by the provisions of the Bylaws of the Authority and the Ohio 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, 2020, the Authority's financial institutions were enrolled in OPCS.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

For the years ended December 31, 2020 and December 31, 2019 \$750,000 of the bank balances of \$22,432,187 and \$12,597,142 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, 2020 and 2019, 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, 2020 the Authority’s investment maturities were as follows:

Investment Type	Total Amount	Remaining Maturity as of December 31, 2020		
		12 Months or Less	12 to 24 Months	24 to 60 Months
Federal Farm Credit Bank	\$ 10,154,200			\$ 10,154,200
Federal Home Loan Mortgage Corporation	1,002,680	1,002,680		
Star Ohio - Money Market Funds	210,845,204	210,845,204		
Total	\$ 222,002,084	\$ 211,847,884	\$ -	\$ 10,154,200

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

As of December 31, 2019 the Authority's investment maturities were as follows:

Investment Type	Total Amount	Remaining Maturity as of December 31, 2019		
		12 Months or Less	12 to 24 Months	24 to 60 Months
Federal Farm Credit Bank	\$ 31,185,132	\$ 1,498,770	\$ 6,997,620	\$ 22,688,742
Federal National Mortgage Association	8,000,760	8,000,760		
Federal Home Loan Mortgage Corporation	23,732,992	13,878,410	1,008,570	8,846,012
Federal Home Loan Bank	13,143,013	3,001,080	10,141,933	
Star Ohio - Money Market Funds	59,499,462	59,499,462		
Total	<u>\$ 135,561,359</u>	<u>\$ 85,878,482</u>	<u>\$ 18,148,123</u>	<u>\$ 31,534,754</u>

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, 2020, the credit quality ratings of the Authority's investments were as follows:

Investment Type	Total Amount	Rating AAA
Federal Farm Credit Bank	\$ 10,154,200	\$ 10,154,200
Federal Home Loan Mortgage Corporation	1,002,680	1,002,680
Star Ohio - Money Market Funds	210,845,204	210,845,204
Total Investments measured at Fair Value	<u>\$ 222,002,084</u>	<u>\$ 222,002,084</u>

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

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

As of December 31, 2019, the credit quality ratings of the Authority's investments were as follows:

Investment Type	Total Amount	Rating AAA
Federal Farm Credit Bank	\$ 31,185,132	\$ 31,185,132
Federal National Mortgage Association	8,000,760	8,000,760
Federal Home Loan Mortgage Corporation	23,732,992	23,732,992
Federal Home Loan Bank	13,143,013	13,143,013
Star Ohio - Money Market Funds	59,499,462	59,499,462
Total Investments measured at Fair Value	<u>\$ 135,561,359</u>	<u>\$ 135,561,359</u>

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, 2020 are as shown below:

Investment Type/ Issuer	Allocation as of December 31, 2020	
	Reported Amount	Percentage of Total Portfolio
Star Ohio - Money Market Funds	\$ 210,845,204	95%
Federal Home Loan Mortgage Corporation	1,002,680	0%
Federal Farm Credit Bank	10,154,200	5%
Total	<u>\$ 222,002,084</u>	<u>100%</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Investments in any one issuer that represent 5% or more of total investment portfolio of Authority as of December 31, 2019 are as shown below:

Investment Type/ Issuer	Allocation as of December 31, 2019	
	Reported Amount	Percentage of Total Portfolio
Star Ohio - Money Market Funds	\$ 59,499,462	44%
Federal National Mortgage Association	8,000,760	6%
Federal Home Loan Mortgage Corporation	23,732,992	18%
Federal Farm Credit Bank	31,185,132	23%
Federal Home Loan Bank	13,143,013	10%
Total	\$ 135,561,359	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, 2020 and 2019.

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

As of December 31, 2020, the Authority's investment maturities were as follows:

Investment Type	Total Amount	Fair Value Measurement as of December 31, 2020
		Level 1
Federal Home Loan Mortgage Corporation	\$ 1,002,680	\$ 1,002,680
Federal Farm Credit Bank	10,154,200	10,154,200
Total Investments measured at Fair Value	\$ 11,156,880	\$ 11,156,880

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

As of December 31, 2019, the Authority's investment maturities were as follows:

Investment Type	Total Amount	Fair Value Measurement as of December 31, 2019
		Level 1
Federal National Mortgage Association	\$ 8,000,760	\$ 8,000,760
Federal Home Loan Mortgage Corporation	23,732,992	23,732,992
Federal Farm Credit Bank	31,185,132	31,185,132
Federal Home Loan Bank	13,143,013	13,143,013
Total Investments measured at Fair Value	<u>\$ 76,061,897</u>	<u>\$ 76,061,897</u>

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, 2020 and 2019 was \$640,852 and \$663,100 respectively. The long-term portion of the receivable is reflected in the non-current assets section in the Statements of Net Position.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance January 1, 2020	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 38,181,267	\$	\$ 128,726	\$ 38,052,541
Construction in Progress	79,549,672	63,230,098	23,418,425	119,361,345
Total Capital Assets Not Being Depreciated	117,730,939	63,230,098	23,547,151	157,413,886
Capital Assets Being Depreciated:				
Infrastructure	66,999,000	55,490		67,054,490
Right-of-Ways	321,358,806			321,358,806
Building, Furniture & Fixtures	569,170,700	784,194		569,954,894
Transportation and Other Equipment	480,082,009	9,059,692	786,728	488,354,973
Bus Rapid Transit	163,663,562			163,663,562
Total Capital Assets Being Depreciated	1,601,274,077	9,899,376	786,728	1,610,386,725
Less Accumulated Depreciation:				
Infrastructure	24,233,359	99,540		24,332,899
Right-of-Ways	209,412,960	5,292,199		214,705,159
Building, Furniture & Fixtures	348,424,690	18,354,350		366,779,040
Transportation and Other Equipment	375,654,049	16,963,730	668,163	391,949,616
Bus Rapid Transit	40,319,473	3,636,816		43,956,289
Total Accumulated Depreciation	998,044,531	44,346,635	668,163	1,041,723,003
Total Capital Assets Being Depreciated, Net	603,229,546	(34,447,259)	118,565	568,663,722
Total Capital Assets, Net	<u>\$ 720,960,485</u>	<u>\$ 28,782,839</u>	<u>\$ 23,665,716</u>	<u>\$ 726,077,608</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2019
Capital Assets Not Being Depreciated:				
Land	\$ 37,514,567	\$ 666,700		\$ 38,181,267
Construction in Progress	73,095,037	31,280,370	\$ 24,825,735	79,549,672
Total Capital Assets Not Being Depreciated	110,609,604	31,947,070	24,825,735	117,730,939
Capital Assets Being Depreciated:				
Infrastructure	65,976,343	1,022,657		66,999,000
Right-of-Ways	321,172,688	186,118		321,358,806
Building, Furniture & Fixtures	551,853,408	17,809,984	492,692	569,170,700
Transportation and Other Equipment	489,596,563	1,392,027	10,906,581	480,082,009
Bus Rapid Transit	163,663,562			163,663,562
Total Capital Assets Being Depreciated	1,592,262,564	20,410,786	11,399,273	1,601,274,077
Less Accumulated Depreciation:				
Infrastructure	24,155,794	1,417,693		25,573,487
Right-of-Ways	201,601,253	6,471,579		208,072,832
Building, Furniture & Fixtures	329,942,129	18,735,472	252,911	348,424,690
Transportation and Other Equipment	368,761,339	17,799,291	10,906,581	375,654,049
Bus Rapid Transit	36,682,656	3,636,817		40,319,473
Total Accumulated Depreciation	961,143,171	48,060,852	11,159,492	998,044,531
Total Capital Assets Being Depreciated, Net	631,119,393	(27,650,066)	239,781	603,229,546
Total Capital Assets, Net	\$ 741,728,997	\$ 4,297,004	\$ 25,065,516	\$ 720,960,485

6. LONG-TERM DEBT

Long-term bonds at December 31, 2020 consist of the following:

Issue	Interest Rate	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Series 2012-Sales Tax Supported Revenue Bonds	4.50	\$ 13,660,000		\$ 3,160,000	\$ 10,500,000	\$ 3,300,000
Series 2014A-Sales Tax Supported Revenue Bonds	4.00	13,360,000		3,055,000	10,305,000	3,730,000
Series 2014B-Sales Tax Supported Revenue Bonds	1.51	540,000		540,000	0	0
Series 2015 Sales Tax Capital Improvement Refunding Bonds	5.00	44,250,000		2,890,000	41,360,000	3,350,000
Series 2016 Sales Tax Supported Refunding Bonds	3.00	15,010,000		10,000	15,000,000	10,000
Series 2019 Sales Tax Supported Revenue Bonds	5.00	30,000,000		905,000	29,095,000	955,000
Premium		21,244,434		1,940,757	19,303,677	
Total Long-Term Debt		\$ 138,064,434	\$	\$ 12,500,757	\$ 125,563,677	\$ 11,345,000

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

6. LONG-TERM DEBT - Continue

Long-term bonds at December 31, 2019 consist of the following:

Issue	Interest Rate	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
Series 2012-Sales Tax Supported Revenue Bonds	4.50	\$ 16,680,000		\$ 3,020,000	\$ 13,660,000	\$ 3,160,000
Series 2014A-Sales Tax Supported Revenue Bonds	4.00	13,360,000			13,360,000	3,055,000
Series 2014B-Sales Tax Supported Revenue Bonds	1.51	4,050,000		3,510,000	540,000	540,000
Series 2015 Sales Tax Capital Improvement Refunding Bonds	5.00	47,360,000		3,110,000	44,250,000	2,890,000
Series 2016 Sales Tax Supported Refunding Bonds	3.00	15,020,000		10,000	15,010,000	10,000
Series 2019 Sales Tax Supported Revenue Bonds	5.00	-	\$ 30,000,000		30,000,000	905,000
Premium		16,647,645	6,226,234	1,629,445	21,244,434	
Total Long-Term Debt		\$ 113,117,645	\$ 36,226,234.15	\$ 11,279,445	\$ 138,064,434	\$ 10,560,000

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, 2020 is \$10,050,000.

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, 2020 is \$10,835,000.

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, 2020 is \$18,040,000.

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

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

\$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, 2020 is \$14,915,000.

On May 7, 2019, the Authority issued \$30,000,000 in sales tax supported bonds to finance certain future capital improvements to the Authority's transportation system and pay the costs of issuance of these bonds. The Series 2019 bonds will mature on December 1 of each year beginning 2020, through December 1, 2039 in the principal amounts and will bear interest at the rates set forth in the bond issuance official statement.

The annual requirements to pay principal and interest on the bonds outstanding at December 31, 2020 are as follows:

Year	Bonds	
	Principal	Interest
2021	11,345,000	5,279,000
2022	9,535,000	4,711,950
2023	10,005,000	4,235,200
2024	10,515,000	3,734,950
2025	8,355,000	3,243,000
2026-2030	28,925,000	10,934,750
2031-2035	19,040,000	4,658,500
2036-2039	8,540,000	1,093,750
Total	\$ 106,260,000	\$ 37,891,100

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

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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. In 2019, 1.5 percent of the Authority's employee/employer contributions were directed to OPERS' Member-Direct Plan. 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/financial/reports.html>, 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

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 65 with 60 months of service credit or any Age with 30 years of service credit	Age and Service Requirements: Age 66 with 60 months of service credit or any Age with 32 years of service credit	Age and Service Requirements: Age 55 with 32 years of service credit or Age 67 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 48 with 25 years of service credit or Age 62 with 15 years of service credit	Age and Service Requirements: Age 50 with 25 years of service credit or Age 64 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 64 with 15 years of service credit
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	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	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

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 Annual Report for additional information.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 65 with 60 months of service credit or any Age with 30 years of service credit	Age and Service Requirements: Age 66 with 60 months of service credit or any Age with 32 years of service credit	Age and Service Requirements: Age 55 with 32 years of service credit or Age 67 with 5 years of service credit
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	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	Formula: 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. For the Traditional and Combined plans, the portion of the employer's contribution allocated to health care was 0.0 percent for calendar years 2020 and 2019. 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 2020 and 2019 were \$19,629,645 and \$19,352,731 respectively. The contractually required contribution for the Combined Plan net of post-employment health care benefits, for years 2020 and 2019 were \$311,167 and \$301,030 respectively.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2019 and December 31 2018 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement, in accordance with the requirements of GASB 67.

Actuarial Assumptions Used in Calculating Total Pension Liability - 2019 Measurement

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Valuation Date	December 31, 2019	December 31, 2019
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (Includes 3.25% Wage Inflation)	3.25 - 8.25% (Includes 3.25% Wage Inflation)
<u>COLA</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% Simple	1.40% Simple through 2020 then 2.15% Simple

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Actuarial Assumptions Used in Calculating Total Pension Liability - 2018 Measurement

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Valuation Date	December 31, 2018	December 31, 2018
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (Includes 3.25% Wage Inflation)	3.25 - 8.25% (Includes 3.25% Wage Inflation)
<u>COLA</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% simple	3.00% Simple through 2018 then 2.15% simple

Prior Measurement Year Changes

The initial COLA for post January 7, 2013 retirees decreased to 1.40 percent from 3.00 percent in the 2019 measurement period. The investment rate of return was decreased to 7.2 percent from 7.5 percent in the 2018 measurement period.

Mortality Rates: 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 annual money-weighted rate of return expressing investment performance, net of investment expense and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 17.2 percent for 2019 and a loss of 2.94 percent for 2018.

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.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

The table below displays the OPERS Board-approved asset allocation policy for the measurement years 2019 and 2018 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>2019 Target Allocation</u>	<u>2019 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>	<u>2018 Target Allocation</u>	<u>2018 Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.0%	1.83%	23.0%	2.79%
Domestic Equities	19.0%	5.75%	19.0%	6.21%
Real Estate	10.0%	5.20%	10.0%	4.90%
Private Equity	12.0%	10.70%	10.0%	10.81%
International Equities	21.0%	7.66%	20.0%	7.83%
Other Investments	13.0%	4.98%	18.0%	5.50%
TOTAL	100.0%	5.61%	100.0%	5.95%

Discount Rate: For 2019 and 2018, the discount rate used to measure the total pension liability was 7.2 percent for the Traditional Plan and Combine Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future 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 7.2 percent as of December 31, 2019 and December 31, 2018, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

Authority's proportionate share of the net pension liability(asset)	1% Decrease	Current Discount Rate 7.2%	1% Increase
Traditional Plan at December 31, 2020	\$ 306,855,324	\$ 186,049,191	\$ 77,448,025
Combined Plan at December 31, 2020	\$ (611,419)	\$ (1,011,869)	\$ (1,300,478)

Authority's proportionate share of the net pension liability(asset)	1% Decrease	Current Discount Rate 7.2%	1% Increase
Traditional Plan at December 31, 2019	\$ 396,488,579	\$ 268,388,985	\$ 161,937,068
Combined Plan at December 31, 2019	\$ (178,075)	\$ (538,184)	\$ (798,932)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 was measured as of December 31, 2019. 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 - 2019			
2020 Net Pension Liability and Pension Expense	<u>Traditional</u>	<u>Combined</u>	<u>Total</u>
Proportionate Share of the Net Pension (Asset)/Liability prior measurement date	0.979952%	(0.481284%)	
Proportionate Share of the Net Pension (Asset)/Liability current measurement date	<u>0.941274%</u>	<u>(0.485253%)</u>	
Change in Proportionate Share	(0.038678%)	0.0039690%	
Proportionate Share of the Net Pension Asset		<u>\$ 1,011,869</u>	<u>\$ 1,011,869</u>
Proportionate Share of the Net Pension Liability	<u>\$ 186,049,191</u>	<u>\$ -</u>	<u>\$ 186,049,191</u>
Pension Expense	<u>\$ 30,422,212</u>	<u>\$ 115,927</u>	<u>\$ 30,538,139</u>
Measurement Year - 2018			
2019 Net Pension Liability and Pension Expense	<u>Traditional</u>	<u>Combined</u>	<u>Total</u>
Proportionate Share of the Net Pension (Asset)/Liability prior measurement date	1.008808%	(0.549770%)	
Proportionate Share of the Net Pension (Asset)/Liability current measurement date	<u>0.979952%</u>	<u>(0.481284%)</u>	
Change in Proportionate Share	(0.028856%)	(0.068486%)	
Proportionate Share of the Net Pension Asset		<u>\$ 538,184</u>	<u>\$ 538,184</u>
Proportionate Share of the Net Pension Liability	<u>\$ 268,388,985</u>	<u>\$ -</u>	<u>\$ 268,388,985</u>
Pension Expense	<u>\$ 59,442,844</u>	<u>\$ 149,345</u>	<u>\$ 59,592,189</u>

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

At December 2020, the Authority reported deferred outflow of resources and deferred inflow of resources related to pension from the following sources:

2020 Deferred Outflow of Resources	Traditional	Combined	Total
Authority's contributions subsequent to measurement date	\$ 19,629,645	\$ 311,167	\$ 19,940,812
Difference in employer contributions and change in proportionate share	6,653,718		6,653,718
Net difference between projected and actual earnings on pension plan investments			
Difference between expected and actual experience			
Change in assumptions	<u>9,937,205</u>	<u>104,334</u>	<u>10,041,539</u>
Total Deferred Outflow of Resources	<u>36,220,568</u>	<u>415,501</u>	<u>36,636,069</u>
	OPERS	OPERS	
	Traditional	Combined	Total
Net difference between projected and actual earnings on pension plan investments	37,112,634	131,243	37,243,877
Difference between expected and actual experience	2,352,327	237,556	2,589,883
Difference in employer contributions and change in proportionate share	<u>-</u>	<u>(41,746)</u>	<u>(41,746)</u>
Total Deferred Inflow of Resources	<u>39,464,961</u>	<u>327,053</u>	<u>39,792,014</u>

Deferred Outflows of \$19,940,812 represent 2020 Authority contributions subsequent to the 2019 measurement dates. These contributions will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2021

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Correspondingly, the Authority reported deferred outflow and inflow of resources related to pensions for the fiscal year ended December 31, 2019 as presented in the following table:

	OPERS	OPERS	
	Traditional	Combined	Total
2019 Deferred Outflow of Resources			
Authority's contributions subsequent to measurement date	\$ 19,352,731	\$ 301,030	\$ 19,653,761
Difference in employer contributions and change in proportionate share	6,282,976		6,282,976
Net difference between projected and actual earnings on pension plan investments	36,427,897	115,933	36,543,830
Difference between expected and actual experience	12,381		12,381
Change in assumptions	23,363,920	120,200	23,484,120
Total Deferred Outflow of Resources	<u>85,439,905</u>	<u>537,163</u>	<u>85,977,068</u>
	OPERS	OPERS	
	Traditional	Combined	Total
2019 Deferred Inflow of Resources			
Net difference between projected and actual earnings on pension plan investments			
Difference between expected and actual experience	3,524,102	219,807	3,743,909
Difference in employer contributions and change in proportionate share	(14,256)	(52,270)	(66,526)
Total Deferred Inflow of Resources	<u>3,509,846</u>	<u>167,537</u>	<u>3,677,383</u>

Deferred Outflows of \$19,653,761 represent 2019 Authority contributions subsequent to the 2018 measurement dates. These contributions will be recognized as a reduction of the net pension liability in the fiscal year ending December 31, 2020

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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 following table presents the current year unamortized balances of deferred outflows/inflows and the periods over which they will be expensed:

Amortization of Deferred Outflows/Inflow - 2021 forward			
	OPERS Taditional	OPERS Combined	Total
2021	491,400	(58,531)	432,869
2022	(10,166,104)	(56,067)	(10,222,171)
2023	1,536,823	(19,472)	1,517,351
2024	(14,736,157)	(67,517)	(14,803,674)
2025		(8,167)	(8,167)
2026		(7,422)	(7,422)
2027		(1,357)	(1,357)
2028		(4,186)	(4,186)
	<u>(22,874,038)</u>	<u>(222,719)</u>	<u>(23,096,757)</u>

SUPPLEMENTAL RETIREMENT BENEFIT 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). The last actuarial study was 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 \$1,360,893 and \$1,338,354 as of December 31, 2019 and 2018, respectively.

8. DEFINED BENEFIT OPEB PLANS

The Authority has one specific plan that qualifies as OPEB according to guidelines presented within GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This plan is administered by the Ohio Public Employees Retirement System (OPERS).

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

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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

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

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

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

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 2020, 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. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2018 decreased to 0 percent for the Traditional and Combined Pension 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 Retiree Medical Accounts (RMA) contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

The Authorities contributions allocated to fund post-employment health care benefits for the fiscal years ended December 31, 2020 and 2019 were \$105,356 and 101,867 respectively. The full amounts required by law were contributed for all fiscal years.

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

OPERS and OPEB Costs

The Authority's proportion of net OPEB liability was based on the Authority's share of contributions to the respective retirement system relative to the contributions of all participating entities. The Authority's proportionate share of the OPERS net OPEB liability as of December 31, 2020 was \$125,441,318 compared to \$123,074,664 as of December 31, 2019.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

At December 31, 2020 and December 31, 2019, the Authority reported its proportionate share of net OPEB liabilities and OPEB expense from OPERS OPEB plans as displayed in the table below:

	OPEB*
Proportionate of the Net OPEB Liability	
Prior Measurement Date	0.943995%
Proportionate the Net OPEB Liability	
Current Measurement Date	0.908166%
Change in Proportionate Share	(0.035829%)
Proportionate Share of the Net OPEB Liability	\$ 125,441,318
OPEB Expense	\$ 14,223,387
<i>* OPERS based on December 31, 2019 measurement</i>	

	OPEB*
Proportionate Share of the OPEB Liability	
prior measurement date	0.9739900%
Proportionate Share of the OPEB Liability	
current measurement date	0.9439950%
Change in Proportionate Share	(0.029995%)
Proportionate Share of the OPEB Liability	\$ 123,074,664
OPEB Expense	\$ 11,374,348
<i>* OPERS based on December 31, 2018 measurement</i>	

Changes in actuarial valuation of the net OPEB liability, changes in deferred outflows and deferred inflows, subsequent plan contributions and amortization of changes in proportionate share from year to year may have either a positive or negative effect to the Authority's recognition of its proportionate share of OPEB expense for the period. In the fiscal year 2020 the Authority's recognition of its proportionate share of OPEB expense with respect to OPERS Ohio health benefit plans resulted in OPEB expense of \$14,223,387 compared to \$11,374,348 as of December 31, 2019.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

2020 Deferred Outflow of Resources	OPERS
Difference between expected and actual experience	3,364
Difference in employer contributions and change in proportionate share	3,820,184
Change in assumptions	19,856,026
Total Deferred Outflow of Resources	23,679,574
2020 Deferred Inflow of Resources	OPERS
Difference between expected and actual experience	11,472,186
Net difference between projected and actual earnings on pension plan investments	6,387,438
Total Deferred Inflow of Resources	17,859,624
Amortization of Deferred Outflows/Inflows - 2021 forward	
	OPERS
2021	5,899,152
2022	2,645,133
2023	5,083
2024	(2,729,418)
	5,819,950

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

2019 Deferred Outflow of Resources	OPERS
Difference between expected and actual experience	41,676
Net difference between projected and actual earnings on pension plan investments	5,642,246
Difference in employer contributions and change in proportionate share	2,184,390
Change in assumptions	3,968,074
Total Deferred Outflow of Resources	11,836,386
2019 Deferred Inflow of Resources	
Difference between expected and actual experience	333,939
Total Deferred Inflow of Resources	333,939
Amortization of Deferred Outflows/Inflows - 2020 forward	
	OPERS
2020	5,487,102
2021	2,210,791
2022	962,172
2023	2,842,382
	<u>11,502,447</u>

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 - 2021 forward	
	OPERS
2021	\$ 5,899,152
2022	2,645,133
2023	5,083
2024	<u>(2,729,418)</u>
	<u>\$ 5,819,950</u>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

ACTUARIAL ASSUMPTIONS

OPERS Actuarial Assumptions

The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

The total OPEB liability actuarial valuations for the measurement periods December 31, 2019 and December 31, 2018 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement:	
<u>Measurement Date December 31, 2019</u>	
Valuation date	December 31, 2018
Single discount rate	3.16%
Investment rate of return	6.00%
Wage inflation	3.25%
Municipal bond rate	2.75%
Projected salary increase	3.25% to 10.75% (includes wage inflation at 3.25%)
Health care cost trends	10.50% intitial, 3.50% ultimate in 2030
<u>Measurement Date December 31, 2018</u>	
Valuation date	December 31, 2017
Single discount rate	3.96%
Investment rate of return	6.00%
Wage inflation	3.25%
Municipal bond rate	3.71%
Projected salary increase	3.25% to 10.75% (includes wage inflation at 3.25%)
Health care cost trends	10.00% intitial, 3.25% ultimate in 2029

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Fiscal year 2020 actuarial valuations are as of December 31, 2018 rolled-forward to December 31, 2019, and the actuarial valuations for fiscal year 2019 are as of December 31, 2017 rolled-forward to December 31, 2018. The assumptions used in the valuation are based on the results 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 annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a return of 19.7 percent for 2019 and a loss of 5.6 percent for 2018.

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. OPERS' 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.

The tables below displays the System's Board-approved asset allocation policy and the long-term expected rate of return for each major asset class:

2019 Investment Return Assumptions

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return* (Arithmetic)</u>
Fixed Income	36.00%	1.53%
Domestic Equities	21.00%	5.75%
REITs	6.00%	5.69%
International Equities	23.00%	7.66%
Other Investments	14.00%	4.90%
TOTAL	100.00%	4.55%

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

2018 Investment Return Assumptions

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return* (Arithmetic)</u>
Fixed Income	34.00%	2.42%
Domestic Equities	21.00%	6.21%
REITs	6.00%	5.98%
International Equities	22.00%	7.83%
Other Investments	17.00%	5.57%
TOTAL	100.00%	5.16%

OPERS DISCOUNT RATE

A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. 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 6.00% and a municipal bond rate of 2.75%. 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 PROPORTIONATE 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 3.16% at December 31, 2020 and 3.96% at December 31, 2019, 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:

Authority's proportionate share of the net pension liability (asset) -2019 measurement year	1% Decrease <u>2.16%</u>	Current Discount <u>Rate 3.16%</u>	1% Increase <u>4.16%</u>
Sensitivity of Authority's proportionate share of the net OPEB liability to changes in discount rate	\$ 164,160,087	\$ 125,441,318	\$ 94,440,183

Authority's proportionate share of the net pension liability (asset) -2018 measurement year	1% Decrease <u>2.96%</u>	Current Discount <u>Rate 3.96%</u>	1% Increase <u>4.96%</u>
Sensitivity of Authority's proportionate share of the net OPEB liability to changes in discount rate	\$ 157,458,366	\$ 123,074,664	\$ 95,730,533

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

SENSITIVITY OF THE AUTHORITY'S PROPORTIONATE 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:

Authority's proportionate share of the net pension liability (asset) -2019 measurement year	1% Decrease	Current Trend Rate	1% Increase
Sensitivity of Authority's proportionate share of the net OPEB liability to changes in the health care cost trend rate	\$ 121,739,653	\$ 125,441,318	\$ 129,095,797

Authority's proportionate share of the net pension liability (asset) -2018 measurement year	1% Decrease	Current Trend Rate	1% Increase
Sensitivity of Authority's proportionate share of the net OPEB liability to changes in the health care cost trend rate	\$ 118,301,453	\$ 123,074,664	\$ 128,572,119

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 2020 10.50% 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 3.50% 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 \$6,000,957 and \$8,590,896 in 2020 and 2019, respectively.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

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, 2020 and 2019 as follows:

	<u>2020</u>	<u>2019</u>
FEDERAL:		
FTA Capital Grants	\$ 24,683,064	\$ 19,783,152
FTA Maintenance Assistance	17,200,001	16,003,327
FTA Operating Grants	113,393,247	4,189,417
Pass-Through Grants		69,786
	<u>155,276,312</u>	<u>40,045,682</u>
Total	\$ <u>155,276,312</u>	\$ <u>40,045,682</u>
STATE:		
ODOT Capital Grants	\$	\$ 25,000
ODOT Fuel Tax Reimbursement	770,773	746,292
ODOT Operating Grants	<u>9,010,385</u>	<u>870,394</u>
Total	\$ <u>9,781,158</u>	\$ <u>1,641,686</u>

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, 2020 and 2019, 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.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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 to manage the volatility of fuel costs. This technique is 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 futures contracts 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 December 2023. 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 market value.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

12. FUEL PRICE RISK MANAGEMENT – CONTINUED

The following table is a summary of the New York Mercantile Exchange (NYMEX) New York Ultra Low Sulfur Diesel (ULSD) futures contracts as well as the final year end account value as of December 31, 2020:

NYMEX NYHRBRULSD					Account Balance as of 12/31/2020 \$	1,260,265
Description Contract Month	Number of Contracts	Total Quality (Gallons)	Contract Price Range (Per Gallon)	Open Trade Equity As of 12/31/2020		
Feb 2021	3	126,000	1.895-2.19	\$ (67,011)		
Mar 2021	2	84,000	1.9575-2.1825	(49,106)		
Apr 2021	3	126,000	1.885-2.17	(64,982)		
May 2021	3	126,000	1.885-2.1675	(64,764)		
Jun 2021	3	126,000	1.94-2.095	(68,187)		
Jul 2021	3	126,000	1.9325-2.09	(66,549)		
Aug 2021	3	126,000	1.8295-2.0825	(61,043)		
Sep 2021	3	126,000	1.833-2.08	(60,081)		
Oct 2021	3	126,000	1.784-2.075	(48,304)		
Nov 2021	3	126,000	1.783-2.0675	(47,124)		
Dec 2021	2	84,000	1.782-1.832	(23,671)		
Jan 2022	2	84,000	1.785-1.835	(23,402)		
Feb 2022	3	126,000	1.74-1.94	(36,569)		
Mar 2022	2	84,000	1.7775-1.9	(25,960)		
Apr 2022	3	126,000	1.715-1.85	(32,437)		
May 2022	2	84,000	1.74-1.7966	(21,008)		
Jun 2022	3	126,000	1.7-1.79	(29,480)		
Jul 2022	2	84,000	1.74-1.7944	(20,639)		
Aug 2022	2	84,000	1.765-1.81	(22,033)		
Sep 2022	3	126,000	1.7075-1.75	(26,048)		
Oct 2022	2	84,000	1.7475-1.75	(18,056)		
Nov 2022	2	84,000	1.7375-1.75	(17,325)		
Dec 2022	2	84,000	1.7-1.75	(15,515)		
Jan 2023	2	84,000	1.6975-1.785	(16,577)		
Feb 2023	2	84,000	1.674-1.7375	(13,259)		
Mar 2023	2	84,000	1.655-1.6567	(8,849)		
Apr 2023	2	84,000	1.71	(13,927)		
May 2023	1	42,000	1.4275	4,721		
Jun 2023	1	42,000	1.335	8,434		
Jul 2023	1	42,000	1.479	2,625		
Aug 2023	1	42,000	1.5352	399		
Sep 2023	1	42,000	1.57	(853)		
Oct 2023	1	42,000	1.57	(689)		
Nov 2023	1	42,000	1.43	5,225		
Dec 2023	1	42,000	1.445	4,498		(937,549)
					Account Value as of 12/31/2020 \$	<u>322,716</u>

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

12. FUEL PRICE RISK MANAGEMENT – CONTINUED

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, 2019:

NYMEX NYHRBRULSD					Account Balance as of 12/31/2019	\$ 801,123
Description Contract Month	Number of Contracts	Total Quality (Gallons)	Contract Price Range (Per Gallon)	Open Trade Equity As of 12/31/2019		
Feb 2020	4	168,000	1.6475-2.1340	\$ 32,537		
Mar 2020	3	126,000	1.63-2.20	23,919		
Apr 2020	4	168,000	1.6250-2.1750	18,745		
May 2020	3	126,000	1.6275-2.17	17,560		
Jun 2020	4	168,000	1.7380-2.0930	3,746		
Jul 2020	3	126,000	1.7420-2.15	(3,171)		
Aug 2020	4	168,000	1.7460-2.0850	1,949		
Sep 2020	4	168,000	1.7520-2.10	(7,291)		
Oct 2020	3	126,000	1.7560-2.1450	(160)		
Nov 2020	3	126,000	1.9625-2.1360	(14,608)		
Dec 2020	3	126,000	1.9575-2.13	(14,238)		
Jan 2021	3	126,000	1.9625-2.1330	(15,103)		
Feb 2021	3	126,000	1.8950-2.19	(10,109)		
Mar 2021	2	84,000	1.9575-2.1825	(12,608)		
Apr 2021	3	126,000	1.8850-2.17	(13,045)		
May 2021	3	126,000	1.8850-2.1675	(14,767)		
Jun 2021	3	126,000	1.94-2.0950	(19,727)		
Jul 2021	3	126,000	1.9325-2.09	(19,337)		
Aug 2021	3	126,000	1.8295-2.0825	(14,914)		
Sep 2021	3	126,000	1.8330-2.08	(14,860)		
Oct 2021	3	126,000	1.8340-2.0750	(3,977)		
Nov 2021	3	126,000	1.7830-2.0675	(3,591)		
Dec 2021	2	84,000	1.7820-1.832	4,864		
Jan 2022	2	84,000	1.7850-1.8350	4,561		
Feb 2022	2	84,000	1.79-1.94	(504)		
Mar 2022	1	42,000	1.9	(2,092)		
Apr 2022	2	84,000	1.77-1.85	2,108		
May 2022	1	42,000	1.7966	1,420		
Jun 2022	2	84,000	1.7650-1.79	4,040		
Jul 2022	1	42,000	1.7944	1,373		
Aug 2022	2	84,000	1.7650-1.81	3,284		(63,995)
					Account Value as of 12/31/2019	\$ 737,128

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, was \$5.8 and \$8.9 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:

	2020	2019	2018
Balance, Beginning of Year	\$ 22,343,197	\$ 22,034,743	\$ 22,577,542
Incurred Claims	36,107,143	40,440,802	27,697,908
Payments	(35,350,106)	(40,132,348)	(28,240,707)
Balance, End of Year	\$ <u>23,100,234</u>	\$ <u>22,343,197</u>	\$ <u>22,034,743</u>
Due Within One Year	\$ <u>14,480,255</u>	\$ <u>13,723,547</u>	\$ <u>9,904,443</u>

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.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

15. SUBSEQUENT EVENTS

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which includes \$900 billion in supplemental appropriations for COVID-19 relief, \$14 billion of which will be allocated to support the transit industry during the COVID 19 public health emergency, was signed into law. Of the \$14 billion, the Authority will receive \$67,416,467 which will be draw down during 2021.

Additionally, on March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. The Act included \$ 1.9 trillion in appropriations for COVID-19 relief, and include \$30.5 billion in funding for transit agencies. The authority is to receive approximately \$136 million.

The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues and additional recovery from emergency funding either federal or state, cannot be estimated.

On June 29, 2021, the Authority's board of trustees authorized the defeasance of certain outstanding sales tax supported bonds for a total aggregate principal amount not to exceed \$50,000,000 and the total aggregate amount with the escrow requirements not to exceed \$62,000,000.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

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 Seven Years (1)**

<i>TRADITIONAL PLAN</i>	2020	2019	2018	2017	2016	2015	2014
Authority’s Proportion of the Net Pension Liability	0.94127%	0.97995%	1.00881%	1.06713%	1.06304%	1.03688%	1.03688%
Authority’s Proportionate Share of the Net Pension Liability	\$ 186,049,191	\$ 268,388,985	\$ 158,262,418	\$ 242,327,530	\$ 184,132,275	\$ 125,059,292	\$ 122,234,619
Authority’s Covered- Employee Payroll	\$ 131,015,854	\$ 130,653,369	\$ 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	142.0051%	205.4206%	120.2665%	184.3103%	140.7304%	97.0874%	100.8030%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	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 Seven Years (1)**

<i>Combined Plan</i>	2020	2019	2018	2017	2016	2015	2014
Authority’s Proportion of the Net Pension Liability	0.48525%	0.48128%	0.54977%	0.62151%	0.60988%	0.58799%	0.58799%
Authority’s Proportionate Share of the Net Pension Liability	\$ (1,011,869)	\$ (538,184)	\$ (748,415)	\$ (345,911)	\$ (296,780)	\$ (226,388)	\$ (61,697)
Authority’s Covered- Employee Payroll	\$ 2,063,837	\$ 2,236,503	\$ 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	49.0285%	24.0636%	31.9552%	16.0169%	13.8089%	10.6996%	3.0975%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	145.28%	126.67%	137.26%	116.67%	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.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

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 in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Authority Covered- Employee Payroll	Contributions as a % of Covered-Employee Payroll
	2020	\$ 19,629,645	\$ (19,629,645)	\$ -	\$ 136,071,018	14.43 %
	2019	\$ 19,352,731	\$ (19,352,731)	\$ -	\$ 131,015,854	14.77 %
	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 %

Combined Plan:		Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Authority Covered- Employee Payroll	Contributions as a % of Covered-Employee Payroll
	2020	\$ 311,167	\$ (311,167)	\$ -	\$ 2,247,674	13.84 %
	2019	\$ 301,030	\$ (301,030)	\$ -	\$ 2,063,837	14.59 %
	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 %

*See Notes to Required Supplementary Information on page 78.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

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

<u>HEALTH PLAN</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's Proportion of the Net OPEB Liability	0.90817%	0.94400%	0.97399%	1.03098%
Authority's Proportionate Share of the Net OPEB Liability	\$ 125,441,318	\$ 123,074,664	\$ 105,768,140	\$ 104,132,785
Authority's Covered Payroll	\$ 132,889,872	\$ 133,935,228	\$ 133,637,664	\$ 132,989,680
Authority's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	94.3949%	91.8912%	79.1455%	78.3014%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	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 78.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

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

	Contractually Required Contribution	Contributions Paid	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2020	\$ -	\$ -	\$ -	\$ 138,318,692	0.00 %
2019	\$ -	\$ -	\$ -	\$ 133,079,691	0.00 %
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 prior to 2017 was not available. This schedule will be populated in subsequent years.

(2) Covered payroll is for the December 31 fiscal period.

*See Notes to Required Supplementary Information on page 78.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

**Greater Cleveland Regional Transit Authority
Notes to Required Supplementary Information
For the Fiscal Years Ended December 31, 2020 and 2019**

Ohio Public Employees Retirement System (OPERS) – Pension

Changes in Assumptions: OPERS Traditional and Combined Plans, Net Pension Liability
These assumptions are presented below for the periods indicated:

Actuarial Assumptions Used in Calculating Total Pension Liability - 2019 Measurement

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Valuation Date	December 31, 2019	December 31, 2019
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Investment Rate of Return	7.2%	7.2%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (Includes 3.25% Wage Inflation)	3.25 - 8.25% (Includes 3.25% Wage Inflation)
<u>COLA</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	1.40% Simple through 2020 then 2.15% simple	1.40% Simple through 2020 then 2.15% simple

Actuarial Assumptions Used in Calculating Total Pension Liability - 2018 Measurement

<u>Actuarial Information</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Valuation Date	December 31, 2018	December 31, 2018
Experience Study	5-year period ended December 31, 2015	5-year period ended December 31, 2015
Actuarial Cost Method	Individual Entry Age	Individual Entry Age
<u>Actuarial Assumptions</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Investment Rate of Return	7.20%	7.20%
Wage Inflation	3.25%	3.25%
Projected Salary Increase	3.25 - 10.75% (Includes 3.25% Wage Inflation)	3.25 - 8.25% (Includes 3.25% Wage Inflation)
<u>COLA</u>	<u>Traditional Plan</u>	<u>Combined Plan</u>
Pre-January 7, 2013 Retirees	3.00% Simple	3.00% Simple
Post-January 7, 2013 Retirees	3.00% Simple through 2018 then 2.15% simple	3.00% Simple through 2018 then 2.15% simple

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION**

**Greater Cleveland Regional Transit Authority
Notes to Required Supplementary Information
For the Fiscal Years Ended December 31, 2020 and 2019**

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

Changes in Assumptions: OPERS Traditional and Combined Plans, Net OPEB Liability
These assumptions are presented below for the periods indicated:

The total OPEB liability actuarial valuations for the measurement periods December 31, 2019 and December 31, 2018 were determined using the actuarial assumptions that follow and as applied to all periods included in the measurement:	
<u>Measurement Date December 31, 2019</u>	
Valuation date	December 31, 2018
Single discount rate	3.16%
Investment rate of return	6.00%
Wage inflation	3.25%
Municipal bond rate	2.75%
Projected salary increase	3.25% to 10.75% (includes wage inflation at 3.25%)
Health care cost trends	10.50% intitial, 3.50% ultimate in 2030
<u>Measurement Date December 31, 2018</u>	
Valuation date	December 31, 2017
Single discount rate	3.96%
Investment rate of return	6.00%
Wage inflation	3.25%
Municipal bond rate	3.71%
Projected salary increase	3.25% to 10.75% (includes wage inflation at 3.25%)
Health care cost trends	10.00% intitial, 3.25% ultimate in 2029

2020

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>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	81-86
Revenue Capacity This schedule contains information to help the reader assess the Authority's most significant local revenue source and the sales tax.	87
Debt Capacity These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	88-92
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Authority's financial activities take place.	93-95
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the	96-99

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net Investment in Capital Assets	\$569,852	\$546,456	\$546,042	\$576,014	\$601,570	\$611,606	\$621,340	\$630,397	\$584,069	\$601,075
Restricted	20,739	25,516	49,197	35,324	50,764	42,759	21,394	15,634	16,720	145,804
Unrestricted	61,689	63,830	48,311	35,375	(75,160)	(66,096)	(78,344)	(149,115)	(148,275)	(195,728)
Total Net Position	\$652,280	\$635,802	\$643,550	\$646,713	\$577,174	\$588,269	\$564,390	\$496,916	\$452,514	\$551,151

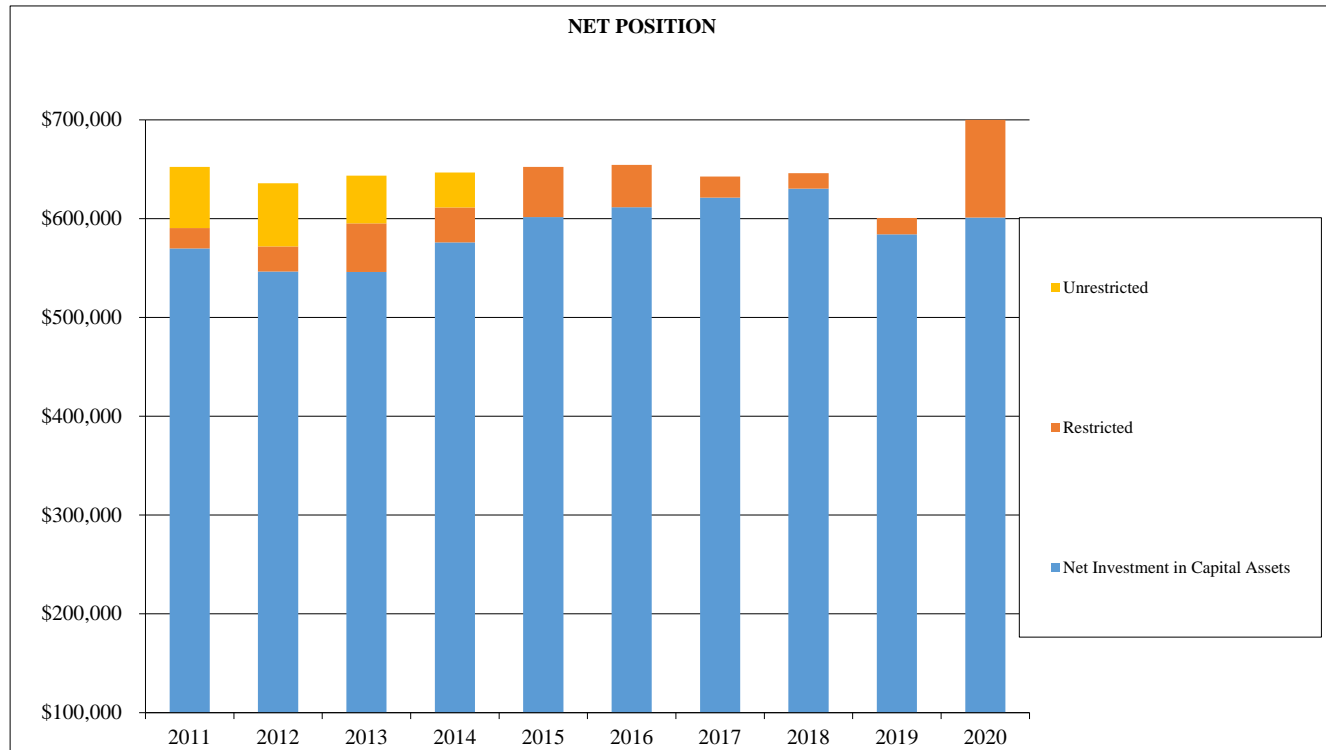


TABLE 2

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITYCHANGES IN NET POSITION
LAST TEN YEARS (IN THOUSANDS)
(UNAUDITED)

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Revenues:										
Passenger Fares	\$49,731	\$49,896	\$50,873	\$52,080	47,176	46,776	46,351	45,160	44,771	26,195
Advertising and Concessions	946	1,350	1,493	1,653	1,632	1,781	2,068	2,379	2,230	2,415
Total Operating Revenues	50,677	51,246	52,366	53,733	48,808	48,557	48,419	47,539	47,001	28,610
Operating Expenses	226,033	238,884	251,638	259,779	250,076	262,635	292,198	246,911	301,663	260,480
Depreciation Expense	48,016	47,961	48,764	48,517	47,291	47,834	49,933	48,837	48,061	44,347
Operating Loss	(223,372)	(235,599)	(248,036)	(254,563)	(248,559)	(261,912)	(293,712)	(248,209)	(302,723)	(276,217)
Non-operating Revenues (Expenses)										
Sales and use tax revenue	175,902	182,355	190,726	201,495	206,125	221,850	217,147	226,406	215,512	209,332
Federal Funds	20,456	10,368	9,178	10,911	14,020	16,968	16,059	16,126	20,193	130,593
Other State and Local Funds	2,070	2,957	2,975	2,265	2,206	1,070	1,912	1,198	1,617	9,781
Federal pass-through grants revenue	502	262	187	529	122	91	144	192	70	-
Investment Income	377	433	210	(387)	289	555	640	1,625	3,736	1,711
Gain (Loss) on Commodity Transactions	2,519	2,108	618	(4,112)						
Interest Expense	(7,227)	(6,991)	(6,432)	(5,521)	(6,430)	(6,028)	(4,988)	(4,627)	(4,470)	(4,369)
Federal pass-through expenses	(502)	(261)	(187)	(529)	(122)	(91)	(144)	(192)	(70)	-
Other Income	2,518	80	7,773	1,934	4,668	7,412	1,784	9,875	1,925	3,123
Total Non-operating Revenues (Expenses)	196,615	191,311	205,048	206,585	220,878	241,827	232,554	250,603	238,513	350,171
Net Gain/(Loss) before Capital Grants Revenue	(26,757)	(44,288)	(42,988)	(47,978)	(27,681)	(20,085)	(61,158)	2,394	(64,210)	73,954
Capital Grants Revenue	30,788	27,811	50,736	51,140	64,751	31,180	37,279	31,734	19,808	24,683
Change in Net Position	\$4,031	(\$16,477)	\$7,748	\$3,162	\$37,070	\$11,095	(23,879)	34,128	(44,402)	98,637

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
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
2019	\$ 47,001	\$ 215,512	\$ 20,193	\$ 1,617	\$ 3,736	\$ 70	\$ 1,925	\$ 19,808	\$ 309,862
2020	\$ 28,610	\$ 209,332	\$ 130,593	\$ 9,781	\$ 1,711	\$ 0	\$ 3,123	\$ 24,683	\$ 407,833

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
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
2019 (4)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020 (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
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%
2019	14.5%	1.9%	16.4%	70.1%	13.5%	83.6%	100.0%
2020	6.4%	1.9%	8.3%	53.7%	38.0%	91.7%	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
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	\$ 300,402	\$ 6,431	\$ 187	\$ 307,020
2014	\$ 107,067	\$ 88,889	\$ 63,823	\$ 48,517	\$ 308,296	\$ 5,521	\$ 529	\$ 307,020
2015	\$ 88,874	\$ 82,777	\$ 78,425	\$ 47,291	\$ 297,367	\$ 6,430	\$ 122	\$ 314,346
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
2019	\$ 110,265	\$ 106,746	\$ 84,652	\$ 48,061	\$ 349,724	\$ 4,470	\$ 70	\$ 354,264
2020	\$ 94,530	\$ 92,165	\$ 73,785	\$ 44,347	\$ 304,827	\$ 4,369	\$ 0	\$ 309,196

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**								
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	%
2019 (3)	61.9	%	8.7	%	8.1	%	2.8	%	2.8	%	14.2	%	1.5	%	100.0	%
2020	61.5	%	8.7	%	8.3	%	2.9	%	2.6	%	14.5	%	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*								
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	%
2019	74.6	%	9.9	%	5.6	%	2.4	%	3.6	%	2.8	%	1.1	%	100.0	%
2020	77.3	%	9.3	%	6.1	%	2.4	%	1.6	%	2.3	%	1.0	%	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

(3) The American Public Transit Association, APTA 2019 Public Transportation Fact Book, Tabular Data and Modal Rankings Report

(4) The American Public Transit Association, APTA 2020 Public Transportation Fact Book, Tabular Data and Modal Rankings Report

TABLE 7

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY**PRINCIPAL SALES TAX COLLECTIONS BY INDUSTRY**

2013 to 2020

Industry	2013		2014		2015		2016	
	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	\$24,889,779	13.05 %	\$30,949,341	13.04 %	\$44,864,815	17.96 %	\$32,802,208	12.20 %
Miscellaneous Store Retailers	15,105,521	7.92	18,808,492	7.93	31,966,486	12.80	45,902,785	17.07
General Merchandise Stores	16,135,443	8.46	20,087,254	8.47	14,164,649	5.67	11,392,428	4.24
Information (Including Telecommunications)	17,565,890	9.21	21,953,991	9.25	20,016,563	8.02	21,161,477	7.87
Accommodation and Food Services	15,239,030	7.99	18,971,924	8.00	19,499,797	7.81	23,413,439	8.71
Building Material and Garden Equipment and Supplies	9,803,331	5.14	12,236,587	5.16	9,911,543	3.97	9,845,157	3.66
Administrative and Support Services; Waste Management and Remediation Services	8,248,401	4.32	10,259,089	4.32	9,804,294	3.93	11,288,301	4.20
Health and Personal Care Stores	5,395,933	2.83	6,711,283	2.83	5,116,705	2.05	4,879,520	1.81
Clothing and Clothing Accessories Stores	7,850,868	4.12	9,764,650	4.12	7,548,894	3.02	6,679,310	2.48
Real Estate, and Rental and Leasing of Property	5,848,775	3.07	7,274,513	3.07	7,287,216	2.92	8,781,291	3.26
Other Industries	<u>\$64,643,308</u>	33.89 %	<u>\$80,201,920</u>	33.81 %	<u>\$79,535,369</u>	31.85 %	<u>\$81,633,524</u>	30.35 %
Total Sales Tax Collection	<u>\$190,726,279</u>	100.00 %	<u>\$237,219,044</u>	100.00 %	<u>\$249,716,331</u>	100.00 %	<u>\$257,779,440</u>	93.22 %

Industry	2017		2018		2019		2020	
	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	\$32,877,867	11.89 %	\$33,668,916	12.82 %	\$ 35,809,000	13.76 %	\$ 37,584,359	13.97 %
Miscellaneous Store Retailers	31,302,575	11.32	23,975,486	9.13	20,396,166	7.84	19,627,048	7.30
General Merchandise Stores	16,113,632	5.83	19,791,664	7.53	21,599,207	8.30	21,157,107	7.87
Information (Including Telecommunications)	21,340,648	7.72	20,899,493	7.96	20,416,560	7.84	20,709,789	7.70
Accommodation and Food Services	24,985,605	9.03	25,335,207	9.64	26,227,103	10.08	26,672,917	9.92
Building Material and Garden Equipment and Supplies	13,290,359	4.81	13,733,580	5.23	14,931,321	5.74	15,414,556	5.73
Administrative and Support Services; Waste Management and Remediation Services	11,575,378	4.19	11,136,601	4.24	11,952,887	4.59	12,002,204	4.46
Health and Personal Care Stores	5,306,481	1.92	5,250,554	2.00	5,544,195	2.13	5,677,573	2.11
Clothing and Clothing Accessories Stores	9,675,734	3.50	9,594,912	3.65	10,412,126	4.00	10,808,937	4.02
Real Estate, and Rental and Leasing of Property	9,496,329	3.43	9,636,536	3.67	10,811,679	4.15	11,378,379	4.23
Other Industries	<u>\$100,578,166</u>	36.37 %	<u>\$89,662,672</u>	34.13 %	<u>82,158,574</u>	31.57 %	<u>87,922,306</u>	32.69 %
Total Sales Tax Collection	<u>\$276,542,774</u>	105.28 %	<u>\$262,685,621</u>	100.93 %	<u>260,258,818</u>	100.00 %	<u>268,955,175</u>	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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OVERALL DEBT LIMITATION:										
Total Of All GCRTA Debt Outstanding	\$142,080	\$169,733	\$154,195	\$138,366	\$136,880	\$120,030	\$108,415	\$96,470	\$116,820	\$106,260
Exempt Debt	142,080	169,733	154,195	138,366	136,880	120,030	108,415	96,470	116,820	106,260
Net Indebtedness (Voted and Unvoted)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Assessed Valuation Of County - (Collection Year)	\$29,826,341	\$29,796,665	\$27,652,473	\$27,694,841	\$27,694,841	\$27,526,151	\$27,623,744	\$27,878,269	\$30,536,605	\$30,773,798
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)	1,491,317	1,489,833	1,382,624	1,384,742	1,384,742	1,376,308	1,381,187	1,393,913	1,526,830	1,538,690
Net Indebtedness (Voted and Unvoted) Overall Debt Margin	<u>\$1,491,317</u>	<u>\$1,489,833</u>	<u>\$1,382,624</u>	<u>\$1,384,742</u>	<u>\$1,384,742</u>	<u>\$1,376,308</u>	<u>\$1,381,187</u>	<u>\$1,393,913</u>	<u>\$1,526,830</u>	<u>\$1,538,690</u>
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	\$29,826	\$29,797	\$27,652	\$27,695	\$27,695	\$27,526	\$27,624	\$27,878	\$30,537	\$30,774
Maximum Aggregate Amount Of Principal and Interest Payable In Any One Calendar Year	<u>(18,377)</u>	<u>(18,902)</u>	<u>(20,788)</u>	<u>(20,676)</u>	<u>(23,013)</u>	<u>(16,919)</u>	<u>(16,920)</u>	<u>(14,227)</u>	<u>(15,077)</u>	<u>(16,624)</u>
Maximum Annual Debt Service Charges Permitted For New Debt Issuances	<u>(\$18,377)</u>	<u>(\$18,902)</u>	<u>(\$20,788)</u>	<u>(\$20,676)</u>	<u>(\$23,013)</u>	<u>(\$16,919)</u>	<u>(\$16,920)</u>	<u>(\$14,227)</u>	<u>(\$15,077)</u>	<u>(\$16,624)</u>

Sources:

- (1) The most current population estimates are as of 12/2020 (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
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
2019	1,244	\$ 30,536,605	—	—	\$ 0.00
2020	1,235	\$ 30,773,798	—	—	\$ 0.00

Sources:

- (1) U.S. Census Bureau, Prepared by: Ohio Development Services Agency, Office of Research. (4/2020)
(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	PERCENTAGE OF PERSONAL INCOME*	BONDED DEBT PER CAPITA*
2011	\$ 142,080	\$	\$ 19,366	\$	\$	\$ 166,588	4.90	\$ 111.87
2012	\$ 110,955	\$	\$ 17,793	\$	\$ 40,985	\$ 181,700	5.27	\$ 86.35
2013	\$ 97,910	\$	\$ 16,150	\$	\$ 40,135	\$ 165,088	4.86	\$ 77.52
2014	\$ 54,965	\$	\$ 14,431	\$	\$ 68,970	\$ 150,265	4.25	\$ 43.62
2015	\$ 18,680	\$	\$	\$	\$ 118,200	\$ 156,082	4.34	\$ 14.83
2016	\$ 3,910	\$	\$	\$	\$ 116,120	\$ 140,323	2.89	\$ 3.11
2017	\$ 1,995	\$	\$	\$	\$ 106,420	\$ 126,877	2.62	\$ 1.60
2018	\$ 0	\$	\$	\$	\$ 96,470	\$ 113,118	2.14	—
2019	\$ 0	\$	\$	\$	\$ 116,820	\$ 138,064	2.52	—
2020	\$ 0	\$	\$	\$	\$ 106,260	\$ 125,564	2.22	—

	PERSONAL INCOME (2)	POPULATION
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
2019	\$ 54,739	1,244
2020	\$ 56,502	1,235

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

(2) <https://www.bea.gov/data/income-saving/personal-income-county-metro-and-other-areas>

TABLE 11
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (IN THOUSANDS)
DECEMBER 31, 2020
(UNAUDITED)

	GROSS DEBT	PERCENT APPLICABLE	ENTITY SHARE
Greater Cleveland Regional Transit Authority	\$125,564	100.00%	\$125,564
Cuyahoga County	168,520	100.00%	\$168,520
Cuyahoga Community College	207,010	100.00%	\$207,010
Cities Wholly with the County	852,051	100.00%	\$852,051
Village Wholly with the County	38,028	100.00%	\$38,028
Townships Wholly with the County	1,590	100.00%	\$1,590
All School Districts Wholly with in the County	1,423,240	100.00%	\$1,423,240
Olmsted Falls S.D.	31,315	96.22%	\$30,131
Strongsville S.D.	71,396	99.70%	\$71,182
Chagrin Falls S.D.	36,768	64.54%	\$23,730
Total Overlapping Debt			<u>\$2,941,046</u>

Source: https://fiscalofficer.cuyahogacounty.us/pdf_fiscalofficer/en-US/BudgetCom/2020AnnualInformationStatement.pdf

TABLE 12

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

(UNAUDITED)

YEAR	GROSS		NET REVENUE				TOTAL	COVERAGE
	REVENUES (1)	EXPENSES (2)	AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST			
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 %	
2019	\$ 290,054	\$ 301,733	\$ (11,679)	\$ 10,560	\$ 5,698	16,258	(71.8) %	
2020	\$ 383,150	\$ 260,480	\$ 122,670	\$ 11,345	\$ 5,279	16,624	737.9 %	

(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 (2)	WAGE INCOME (1) (IN THOUSANDS)	PER CAPITA PERSONAL INCOME (1)
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
2019	1,243,857	2,048,449	\$ 35,703,352	\$ 31,804
2020	1,209,550	2,026,560	\$ 36,000,199	\$ 33,833

AGE DISTRIBUTION (1)

	NUMBER	PERCENTAGE
Under 5 years	71,350	5.9%
5 - 9 yrs	69,050	5.7
10 - 14 yrs	71,010	5.9
15 - 19 yrs	73,530	6.1
20 - 24 yrs	75,190	6.2
25 - 34 yrs	157,390	13.0
35 - 44 yrs	141,920	11.7
45 - 54 yrs	146,530	12.1
55 - 59 yrs	86,940	7.2
60 - 64 yrs	89,220	7.4
65 - 74 yrs	130,930	10.8
75 - 84 yrs	62,420	5.2
85 yrs and over	34,070	2.8
TOTAL	1,209,550	100.0%
Median age		40.3
Males		573,160
Females		636,390

DISTRIBUTION OF HOUSEHOLDS BY INCOME BRACKET (1)

INCOME (2)	NUMBER	PERCENTAGE
\$0 - 19,999	\$ 117,497	21.8%
\$20,000 - 29,999	58,282	10.8
\$30,000 - 49,999	100,315	18.7
\$50,000 - 99,999	147,970	27.5
\$100,000 -199,999	86,764	16.1
OVER \$200,000	27,703	5.1
TOTAL	538,531	100.0%
MEDIAN HOUSEHOLD INCOME	\$ 48,435	

Source:

- (1) Ohio Development Services Agency
- (2) Ohio Metropolitan Statistical Area Populations

(continued)

TABLE 13 (continued)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY**DEMOGRAPHIC STATISTICS (continued)****LAST TEN YEARS (continued)****EMPLOYMENT-ANNUAL AVERAGE (1):**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Civilian Labor Force	623,300	619,200	621,900	618,600	614,600	617,500	617,600	616,200	614,500	644,081
Total Employed	576,000	577,200	578,600	580,200	583,200	583,900	583,200	586,800	588,900	599,438
Total Unemployed	47,200	42,000	43,300	38,400	31,400	33,600	34,500	29,400	25,600	44,063
Unemployment Rate	7.6%	6.8%	7.0%	6.2%	5.1%	5.4%	5.6%	4.8%	4.2%	6.8%

EMPLOYMENT BY SECTOR (1):

(Amounts in 000's)

YEAR	MANUFACTURING		WHOLESALE RETAIL TRADE		PROFESSIONAL AND RELATED SERVICES		FEDERAL, STATE AND LOCAL GOVERNMENT		FINANCE, INSURANCE, REAL ESTATE		TRANSPORTATION AND PUBLIC UTILITIES		OTHER		TOTAL	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
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
2019	72.5	12.1	73.9	12.4	283.8	47.5	50.7	8.5	47.3	7.9	29.2	4.9	39.9	6.7	597.3	100.0
2020	70.7	11.8	83.2	13.9	284.0	47.4	52.5	8.8	44.3	7.4	26.2	4.4	38.5	6.3	599.4	100.0

Sources:

(1) U.S. Census Bureau - Data survey table

* Difference due to non-County residents employed in County.

TABLE 14

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL EMPLOYERS

2020 AND 2011

2020			
Employer	Nature of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	45,991	8.6%
University Hospitals Health System	Health Care	22,760	4.25
Minute Men Cos.	Staffing and employment services firm	21,447	4.00
Group Management Services, Inc.	Staffing and employment services firm	19,614	3.66
U.S. Office of Personnel Management	Federal Government	15,360	2.87
Walmart	Retail supercenters, groceries and warehouse club stores	12,345	2.30
Progressive Corporation	Insurance & financial company	11,942	2.23
Giant Eagle Inc.	Multi-format food, fuel & pharmacy	9,070	1.69
Cuyahoga County	County government	7,586	1.42
State of Ohio	State government	7,422	1.39
	Total	<u>173,537</u>	<u>32.4%</u>
	Total County Employment	535,800	
2011			
Employer	Nature of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	34,000	6.0%
U.S. Office of Personnel Management	Federal Government	15,095	2.67
University Hospitals Health System	Health Care	13,726	2.43
Giant Eagle Inc.	Multi-format food, fuel & pharmacy	10,311	1.92
Progressive Corporation	Insurance	8,612	1.52
Summa Health System	Health Care Provider	8,000	1.42
Cuyahoga County	County Government	7,859	1.39
State of Ohio	State government	7,792	1.45
United States Postal Services	U.S. Postal Services	7,362	1.30
Group Management Services, Inc.	Staffing and employment services firm	7,242	1.35
City of Cleveland	Municipal Government	7,089	1.25
	Total	<u>127,088</u>	<u>22.7%</u>
	Total County Employment	565,000	

Sources: Crain's Cleveland Business - Book of List for 2011 and 2020
 Ohio Labor Market Information <http://ohiolmi.com/Home/LAUSbyCounty>

TABLE 15
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
OPERATING STATISTICS (1)
LAST TEN YEARS
(UNAUDITED)

	2011	2012**	2013	2014	2015***	2016	2017	2018	2019*	2020*
SYSTEM RIDERSHIP:										
Motor Bus	37,198,763	33,857,969	34,325,962	34,426,847	32,810,537	30,156,644	26,711,874	22,866,545	21,787,742	11,615,033
Heavy Rail	5,687,891	6,240,495	6,423,366	6,203,837	6,438,252	6,417,590	5,904,814	6,273,379	5,666,706	2,434,523
Light Rail	2,745,106	2,856,379	2,897,940	2,779,158	2,608,770	2,468,330	2,114,753	1,638,170	1,484,863	573,726
Demand Responsive	579,072	647,031	704,502	751,529	702,538	633,601	593,654	587,190	576,448	2,581,450
BRT (Bus Rapid)**	—	4,629,200	4,854,519	5,084,513	4,461,433	4,609,436	4,219,838	3,764,271	2,628,480	477,588
AVERAGE WEEKDAY SYSTEM RIDERSHIP:										
Motor Bus	124,343	113,662	93,675	112,878	107,734	100,708	89,554	76,487	73,415	35,819
Heavy Rail	18,495	21,493	17,529	18,037	18,744	18,740	17,284	19,809	17,712	3,411
Light Rail	9,560	9,838	7,908	7,614	8,456	8,151	7,061	5,374	4,872	1,556
Demand Responsive	1,868	2,067	2,284	2,373	2,281	2,031	1,848	1,814	1,850	7,980
BRT (Bus Rapid)**	—	15,541	13,248	16,671	14,541	14,445	14,212	13,202	8,624	1,374
AVERAGE WEEKDAY MILES OPERATED:										
Motor Bus	48,983	39,810	41,440	42,561	43,691	42,744	47,722	45,054	44,390	41,104
Heavy Rail	5,233	5,759	6,887	7,395	7,379	7,813	7,485	7,531	7,149	3,419
Light Rail	2,042	2,008	2,331	2,523	2,561	2,320	2,015	1,933	1,956	1,566
Demand Responsive	16,161	15,160	15,604	16,682	16,614	16,738	21,329	21,844	17,012	9,402
BRT (Bus Rapid)**	—	2,096	2,007	2,025	1,835	1,821	1,852	1,661	1,521	1,407
REVENUE MILES:										
Motor Bus	12,616,043	12,224,802	12,968,260	13,236,263	13,416,573	13,188,669	12,823,852	12,257,437	12,157,936	11,846,793
Heavy Rail	1,766,922	1,989,328	2,414,910	2,432,606	2,528,661	2,661,224	2,611,263	2,113,189	2,488,976	2,638,201
Light Rail	715,539	699,039	785,351	830,016	844,272	776,474	683,721	682,556	677,887	589,245
Demand Responsive	4,560,276	4,821,868	4,978,261	5,187,971	5,311,937	5,343,934	5,446,387	5,581,907	5,375,849	326,219
BRT (Bus Rapid)**	—	688,062	648,031	641,081	604,862	595,789	593,086	548,234	512,489	1,462,001
PASSENGER MILES:										
Motor Bus	139,878,118	144,368,655	144,546,103	144,877,313	143,016,054	124,284,327	112,204,045	97,776,046	91,902,658	51,619,308
Heavy Rail	39,448,214	43,551,128	44,109,511	41,266,566	43,869,205	41,530,858	37,907,589	42,165,745	36,529,680	18,361,515
Light Rail	16,762,697	16,938,794	17,332,817	16,450,357	15,113,234	14,721,876	12,789,989	9,580,135	8,974,467	2,065,735
Demand Responsive	4,134,106	4,572,942	4,964,438	7,274,713	5,989,622	4,993,531	4,892,499	4,402,093	4,594,269	2,536,247
BRT (Bus Rapid)**	—	11,748,318	12,837,586	13,277,273	10,538,255	11,641,456	10,429,796	10,019,677	6,889,599	4,106,941

TABLE 15
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
OPERATING STATISTICS (1)
LAST TEN YEARS (Continued)
(UNAUDITED)

	2011	2012**	2013	2014	2015***	2016	2017	2018	2019*	2020*
ENERGY CONSUMPTION:										
Motor Bus										
(gallons of fuel)	4,429,201	3,901,523	3,992,940	4,066,716	3,188,219	N/A	N/A	N/A	N/A	N/A
(gallons of compressed natural gas)***					304,409	N/A	N/A	N/A	N/A	N/A
Heavy Rail										
(kilowatt hours)	26,024,462	25,319,115	25,091,622	24,651,213	22,660,795	N/A	N/A	N/A	N/A	N/A
Light Rail										
(kilowatt hours)	11,912,103	9,836,196	12,982,816	11,821,324	12,157,153	N/A	N/A	N/A	N/A	N/A
Demand Responsive										
(gallons of fuel)	573,563	634,019	650,749	608,858	664,335	N/A	N/A	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	N/A	N/A
FLEET REQUIREMENT										
DURING PEAK HOURS:										
Motor Bus	310	303	350	350	350	350	286	275	255	254
Heavy Rail	18	20	20	20	20	20	20	20	24	16
Light Rail	13	13	14	14	13	13	13	13	9	6
Demand Responsive	116	134	131	137	147	148	148	142	140	127
BRT (Bus Rapid)**	—	16	16	16	16	14	13	13	11	10
TOTAL ACTIVE VEHICLES										
DURING PERIOD:										
Motor Bus	403	399	391	391	375	378	361	334	350	350
Heavy Rail	44	60	60	60	40	40	40	40	40	40
Light Rail	33	48	48	48	34	48	34	34	31	32
Demand Responsive	120	146	146	158	159	166	166	160	180	170
BRT (Bus Rapid)**	—	21	21	21	21	24	21	24	21	21
NUMBER OF EMPLOYEES:	2,103	2,188	2,033	2,073	2,257	2,215	2,196	2,139	2,074	2,076

Source:

(1) National Transit Database Report, Urban Mass Transportation Act of 1964

*2019 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 2010 THROUGH FISCAL YEAR 2019 (IN THOUSANDS)
(UNAUDITED)

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Capital Assets Not Being Depreciated										
Land	\$38,510	\$36,924	\$37,818	\$37,813	\$37,813	\$37,813	\$37,514	\$37,514	\$38,181	\$38,053
Construction in Progress	20,849	23,015	25,955	22,258	59,522	74,819	61,415	73,096	79,550	119,361
Total Capital Assets Not Being Depreciated	<u>59,359</u>	<u>59,939</u>	<u>63,773</u>	<u>60,071</u>	<u>97,335</u>	<u>112,632</u>	<u>98,929</u>	<u>110,610</u>	<u>117,731</u>	<u>157,414</u>
Capital Assets Being Depreciated:										
Infrastructure	63,009	63,192	63,233	63,461	63,461	63,461	65,654	65,976	66,999	67,054
Right of Ways	274,334	274,725	301,660	308,716	309,264	309,454	314,759	321,173	321,359	321,359
Building, Furniture & Fixtures	481,619	492,407	502,685	537,706	546,140	548,211	578,819	551,853	569,171	569,955
Transportation and Other Equipment	405,618	413,275	421,138	441,898	470,713	486,818	501,862	489,597	480,082	488,355
Bus Rapid Transit	162,353	162,344	162,344	163,027	163,102	163,516	163,605	163,663	163,663	163,664
Total Capital Assets Being Depreciated	<u>1,386,933</u>	<u>1,405,943</u>	<u>1,451,060</u>	<u>1,514,808</u>	<u>1,552,680</u>	<u>1,571,460</u>	<u>1,624,699</u>	<u>1,592,262</u>	<u>1,601,274</u>	<u>1,610,387</u>
Less Accumulated Depreciation:										
Infrastructure	15,376	16,712	18,051	19,513	21,076	22,522	23,612	22,816	24,233	24,333
Right of Ways	156,323	162,952	169,671	176,783	183,671	190,045	196,441	202,941	209,413	214,705
Building, Furniture & Fixtures	241,529	256,743	272,465	289,075	307,161	325,074	343,871	329,942	348,425	366,779
Transportation and Other Equipment	285,804	306,696	327,277	345,488	359,502	369,831	381,692	368,761	375,654	391,950
Bus Rapid Transit	11,334	14,942	18,549	22,160	25,784	29,413	33,047	36,683	40,319	43,956
Total Accumulated Depreciation:	<u>710,366</u>	<u>758,045</u>	<u>806,013</u>	<u>853,019</u>	<u>897,194</u>	<u>936,885</u>	<u>978,663</u>	<u>961,143</u>	<u>998,044</u>	<u>1,041,723</u>
Net Capital Assets Being Depreciated	<u>676,567</u>	<u>647,898</u>	<u>645,047</u>	<u>661,789</u>	<u>655,486</u>	<u>634,575</u>	<u>646,036</u>	<u>631,119</u>	<u>603,230</u>	<u>568,664</u>
Net Capital Assets, End of Year	<u>\$ 735,926</u>	<u>\$ 707,837</u>	<u>\$ 708,820</u>	<u>\$ 721,860</u>	<u>\$ 752,821</u>	<u>\$ 747,207</u>	<u>\$ 744,965</u>	<u>\$ 741,729</u>	<u>\$ 720,961</u>	<u>\$ 726,078</u>

Source: Greater Cleveland Regional Transit 2020 Financial Statements

TABLE 17

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
FAREBOX RECOVERY PERCENTAGE
LAST TEN YEARS
(UNAUDITED)

<u>YEAR</u>	<u>PERCENTAGE</u>
2011	22.5
2012	21.8
2013	21.1
2014	20.6
2015	19.5
2016	18.5
2017	16.6
2018	19.2
2019	15.6
2020	11.0

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

FARE STRUCTURE
DECEMBER 31, 2020

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

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	\$5.00
Senior/Disabled/Child	\$2.50
Student K-12	\$4.25
Accompanied Children	\$2.50
Paratransit	\$7.00

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

Cleveland Passes	
One Day	\$5.00
Two Day	\$10.00
Four Day	\$20.00

Credit/Debit Cards can be used in ticket vending machines and kiosks at Red Line stations, Healthline stations and the Customer Service Center at Tower City
 Up to three children under 6 yrs. of age with adult ride free
 Child fares apply to children 6-12, when accompanied by a fare-paying adult. Student farecards are for grades K-12



Greater Cleveland Regional Transit Authority
1240 West Sixth Street
Cleveland, Ohio 44113-1302

rideRTA.com