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Greater Cleveland Regional Transit Authority
Quarterly Management Report
First Quarter, May 2016

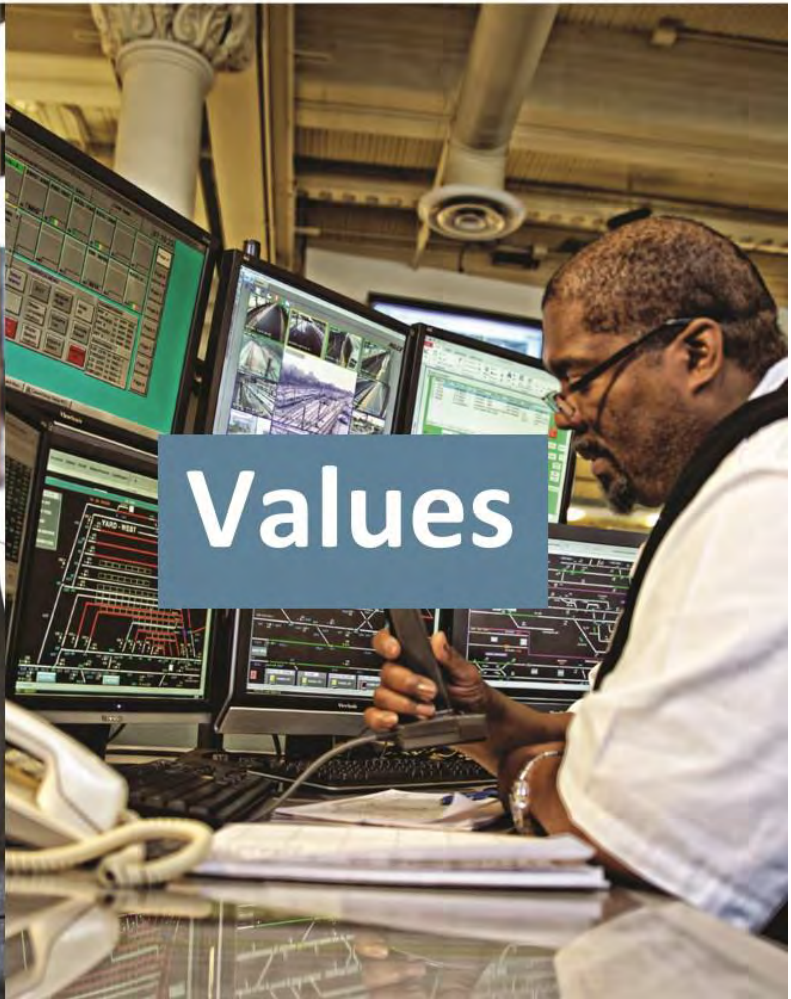




Mission



Vision



Values

TABLE OF CONTENTS

From the CEO _____	1
Financial Analysis _____	2
Critical Success Factors _____	21
DBE Participation/Affirmative Action _____	24
Engineering/Construction Porgram _____	36

From the CEO



There is no doubt that 2016 was going to be a very interesting year at RTA. From major rail infrastructure work to the reopening of Public Square, to managing service around the RNC, the RTA team was looking forward to better position the agency for the future and to do its part in assuring a successful tourist experience.

At the RTA Annual Meeting in March, George Dixon was elected Board President for his 25th consecutive term, and Westlake Mayor Dennis Clough was elected Vice Chair for his 6th consecutive term. Such stability on our Board has been one of the keys to our ongoing success. While we said goodbye to Jessie Anderson and Mayor Bill Cervenik, we welcomed two new Trustees to the Board. Mayor Trevor Elkins of Newburgh Village and Rev. Charles P.

Lucas, Vicar of St. James AME Church began new three year terms. We look forward to working with them to best serve our public.

Financially, we knew that somewhat disappointing transportation budgets on both the Federal and State levels would leave us with a challenge to maintain our financially sustainable position into the future without corrective action. The 2016 budget approved by the RTA Board of Trustees in December 2015 required a \$7 million adjustment in fares, service levels, or a combination of the two to achieve balance. The staff worked tirelessly during the first quarter of 2016 to develop a proposal that would be least impactful on our customers. That proposed plan was presented to our customers at a series of 15 public meetings in April, with a final decision expected to be made during the second quarter of the year.

Also during the first quarter, many were asked to help fine-tune the focus of our strategic plan by way of participating in a SWOT Analysis. Eleven workshops were conducted, engaging GCRTA employees, Board of Trustees, the Citizens Advisory Board, and external partners such as the Greater Cleveland Partnership, Downtown Cleveland Alliance, NOACA, the City of Cleveland and Cuyahoga County officials. This process was paramount in helping to shape the future in transit our region.

Beginning with an in-depth Financial Analysis, the enclosed report details the activity and operating results of RTA through the first quarter of 2016. The eight TEAM performance measures, which are detailed in this report, continue to be at the core of our operating philosophy. Additional quarterly updates are included for DBE participation, Affirmative Action, and a status update on our Engineering and Construction activities.

The intent of the Quarterly Management Report is to provide information to assist you in carrying out your oversight role and statutory responsibilities as the Governing Board of the Authority.

Sincerely,

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

Financial Analysis

GCRTA has improved processes, reduced costs, established a new strategic plan and managed very well over the past several years. Innovative concepts, such as TransitStat, have helped reduce costs by nearly \$64 million. RTA had very strong year-end balances, in excess of \$35 million, at the end of 2011, 2012, and 2013. The balance dropped for 2014 to \$26.9 million but was above the 30-day reserve goal, marking the fifth straight year that the 30-day reserve goal was exceeded. The reduction in 2014 was due to increased costs, especially in the area of fringe benefits ending the year \$2.7 million over projection. For 2015, timing issues resulted in both passenger fares of \$1.5 million and reimbursed expenses anticipated in December, but were received in January 2016. Additionally \$4 million of unanticipated health care and prescription costs were received in December. Consequently, while the 3rd Quarter 2015 ending balance was projected at \$25 million, the ending balance fell to \$16.9 million. For 2016, the Authority will no longer be entitled to about \$5 million of Federal revenue that had been earmarked for the Trolley and Access to Jobs Programs. The 2016 Budget, as approved by the Board of Trustees in December 2015, necessitates a \$7 million adjustment in the form of a fare increase, a service reduction or a combination of both. It is anticipated that the implementation date for such adjustments will be in August 2016.

Sales & Use Tax provides over 70% of the revenue for the Authority. Thus, Sales Tax collections are vital to establishing the operating levels of the Authority. Sales Tax collections have had an excellent recovery since 2009. Collections increased in 2011, 2012 and 2013 by roughly 5% each year. For 2014, total collections for Sales & Use Tax equaled \$197.1 million, 1.5% above budget and 3.9% above 2013 collections. Based on this, the Sales Tax projection for 2015 was revised at the beginning of the year to \$201.4 million. Receipts for the first three quarters caused us to raise the year-end projection to \$206.4 million. Receipts received in October 2015 and November 2015 confirmed this projection. However, collections received in December 2015 dropped off slightly and total Sales & Use Tax ended the year at \$205.8 million. For 2016, Sales Tax collections are budgeted at \$212.2 million. Sales & Use Tax receipts in March 2016. Were lower than expected, 2.9% lower than budget and only 0.8% higher than 2015.

Passenger Fare collections, the second largest source of operating revenue, has also recovered from the drop caused by the Recession. Ridership increased steadily in 2011, 2012 and 2013. Passenger Fare revenue for 2012 totaled \$49.2 million. Cleveland Metropolitan School District (CMSD) paid \$1.1 million for 2013 student tickets in January 2014. This delay in payment occurred again in 2014 as RTA was paid \$1.9 million for 2014 in June 2015. Ridership for the first quarter of 2014 and 2015 was affected by cold weather. This difficult winter caused many schools and businesses to close, which reduced travel in general, including transit. Fare Revenue for 2014 was \$49.1 million and was projected at \$50.1 million for 2015. Ridership in 2015 never fully recovered from the slow winter start and ended the year below expectation. Low gasoline prices may have caused choice riders to drive and we saw revenue drop to \$48.4 million, about \$1.6 million below budget. For 2016, Passenger Fare revenue which was originally budgeted at \$51.5 million for 2016, was revised to \$49.5 million, \$2 million less than budget and 2.2% more than 2015 actuals.

The Great Recession reduced revenues. Revenues recovered in 2011, 2012, and 2013. By the end of 2012, total resources had increased from \$269.9 million to \$293.7 million. Consequently, RTA was able to shift some resources from operating funds to capital by reducing reimbursed expenditures. Total Resources ended 2013 at \$305.0 million which was GCRTA's first \$300 million total resource year. Total resources for 2014 were \$312.3 million. For 2015, total resources was \$308.3 million, a \$4 million drop from 2014 which 2015 revenue was \$7.6 million higher than 2014, the carry forward balance for 2014 was \$11.6 million less

than it was in 2014. Total revenues in 2016 were budgeted at \$289.1 million. With the budgeted carryover of \$25.9 million. Total Resources for 2016 was budgeted at nearly \$315.0 million. With the drop in ending balance in 2015, Total Resources for 2016 are now projected to end the year at \$307.2 million.

Operating expenses were held low from 2011 through 2013 with expenses at \$210.3 million, \$220.9 million and \$231.0 million, respectively. For 2014, personnel costs were \$2.0 million above budgeted levels due to a 27th pay for ATU Operator and Hourly personnel, retired employees' payments, a health-care contract ending above expected levels, and overtime and fringe benefit claims increasing. Operating expenses jumped to \$248.1 million in 2014. The 3rd Quarter estimate for 2015 was \$247.1 million, but the large increase in fringe benefits at year end bumped that to \$251.7 million, a 1.5% increase for the year. Operating Expenses for 2016 are budgeted at \$267.7 million, with Personnel Services totaling \$192.6 million. Fringe Benefits have been monitored through the first quarter and total Personnel Services are projected to end the year \$3.3 million below budget. Total Operating Expenditures are projected to end the year at \$258.5 million, with \$5.6 million savings projected in Other Expenditures.

The **End of Year Balance** increased from \$2.9 million in 2009 to \$20.2 million in 2010. The RTA financial goal is to achieve at least a 30-day reserve. For the next 3 years, RTA maintained an ending balance over \$30 million. Reimbursed expenditures were reduced and funding was used for capital projects and bus replacement, while maintaining a healthy balance in the operating budget. Sustaining the \$30 million balance in 2014 was difficult. With the increase in operating costs, the ending balance totaled \$26.9 million. The budgeted ending balance for 2015 was \$13.1 million. The 3rd Quarter estimate for year-end balance for 2015 was \$25.9 million. The delay in revenues decreased the balance to \$21.2 million and the increase in fringe benefit costs dropped the ending balance further to \$16.9 million. This was \$3.7 million above budget but did not meet the 30 day operating reserve goal for the year. The ending balance for 2016 was budgeted at \$6.7 million. With the lower beginning balance and slight increase in revenues, it is vital that Operating Expenditures are tightly monitored throughout the year. It is only with savings in Operating Expenditures that the Authority will end the year at a projected \$10 million.

Capital expenditures: For several years additional resources have been needed to meet and maintain the Authority's capital assets. Those resources were not available and thereby projects were deferred due to the lack of funding. In recent years due to the improved financial conditions funding was supplied to the capital program by reducing grant funded Preventive Maintenance (PM) reimbursement to the Operating Budget and directing more resources toward capital improvements.

Capital Expenditures in 2016 first quarter grew to \$29.93 million significantly higher in comparison to the two previous years of \$19.67 million during 2015, and \$12.20 million in 2014. The increase in expenditures is due to current bus orders underway for twelve (12) replacement Trolleys, 20 Paratransit vehicles (MV1's), various Rail Projects, and Operating expense reimbursement draws processed during the first quarter generating a combined \$25.83 million or 86.4 percent against capital expenditures.

The Authority's focus continues to be on achieving a State of Good Repair (SOGR), capital projects have been programmed for the current budget year that will significantly increase expenditures in Rail Projects, Bus Improvement Program and Facilities Improvement categories. The Authority continues to make progress on funding projects included in the Capital Improvement Plan (CIP) and will continue to target both non-traditional as well as formula grant funding sources in the future.

Financial Indicators

Measures of budget compliance are the performance of the six financial policy objectives. These financial policy objectives were amended in August 2011 and the chart on page 7 displays the amended policy objectives for the Authority. This chart compares the 2016 first quarter actuals to the budget as it relates to these policy goals. The indicators, which are an important measure of our financial condition, apply to the following areas:

Operating Efficiency

An **Operating Ratio** of at least 25% is the policy goal. The 2016 budget assumed that operating revenue (fares, advertising, and interest income) would equal 19.9% of the total operating expenses. At the end of the first quarter, the Operating Ratio was estimated at budget. Expenses will need to be held in check through the year as a whole. Passenger Fares were budgeted at \$51.5 million but based on collections received during the first quarter, the estimate has since reduced to \$49.5 million, due to lower ridership, and a fare increase and a service reduction scheduled for August. In 2015, additional receipts from Cleveland Municipal School District were received due to an audit. By year end, 2015 Passenger Fare collections fell to \$48.4 million, \$1.5 million less than budget. Operating expenses were estimated to end the year \$8.0 million under budget, however, by the end of the 4th Quarter, were only \$3.4 million under budget due to \$4 million of health care and prescription invoices that were paid in the last three weeks of December. Additionally, revenue reimbursements lagged in December and were received in early 2016. Although the ratio in 2015 was hovering between 20% and 21%, it fell in the 4th Quarter to 19.9%.

The **Cost per Hour of Service** is to be maintained at or below the level of inflation (about 2%). The cost per hour of service for 2014 was budgeted at \$123.6 and the budgeted level was met. Service Hours were budgeted at 1.9 million hours for the year. By year end, total actual service hours were 1.8 million. With fewer vacancies and increased costs in fringe benefits, materials & supplies, and purchased transportation, the projected Cost per Hour of Service for 2nd Quarter 2015 was estimated at \$124.9, 0.3% above the 2014 level and slightly more than the \$123.9 estimate at the end of the first quarter. With the additional increase in fringe benefits and slight reduction of service hours, the Cost per Hour of Service for year-end was \$139.8. This is 10.9% higher than budget and 13.1% higher than 2014. For 2016, the budgeted Cost per Hour of Service is \$134.3, with a growth per year of 9.2%, compared to 2015 3rd Quarter estimate. Through the 1st Quarter of 2016, cost per hour of service fell to \$129.2 million. This is due to the budgeted service hours increasing from 1.8 million hours in 2015 to 1.9 million budgeted in 2016 and Operating Expenses projected to increase by 2.7%, compared to 2015 actuals. Operating Expenses will need to be tightly monitored throughout the year to ensure that the projected estimate of \$258.5 million is achieved. An annualized 3.0% service reduction and \$0.25 base fare increase was added to the 2016 budget. Operating Expenses will need to be held in check in order to achieve the projected \$129.2 cost per hour of service, a reduction of 7.6% compared to 2015.

The Federal Reserve Bank of Cleveland calculates the inflation rate to remain between 1.9-2.1% for the next ten years. The projected Growth per Year for 2016 is -7.6%, compared to 2015; therefore this indicator is projected to be met.

Board policy targets a one-month (1.0) **Operating Reserve**, or the unrestricted cash equivalent of one month's operating expenses. For the 2015 Budget, a one-month reserve equaled \$20.5 million. The ending balance for 2015, however was \$16.9 million, which yielded an operating reserve of 0.8 months. This

objective was met in 2010 for the first time in years. For 2011 through 2013, the Operating Reserve met or exceeded 2.0 months and for 2014 the Operating Reserve was 1.3 months. Our strategy to reduce PM Reimbursement lowered the Operating Reserve. The stretch goal is to maintain a reserve of at least 1.5 months. The 2016 budget has an Operating Reserve of \$6.7 million, or 0.3 months. First Quarter projections estimate the ending balance increasing to nearly \$10 million. For 2016, a one-month Operating Reserve is \$21.3 million. With an ending balance of \$10 million, the projected Operating Reserve is 0.5 months, although an increase from the 2016 budget, it does not meet the 1.0 month target.

Capital Efficiency

The **Debt Service Coverage** ratio compares total operating resources, (net of operating costs and transfers to the Insurance, Capital, and Pension Funds), with the Authority's debt service needs. The year-end 2011 ratio of 2.82 was well above the 1.50 minimum due to a reduction of \$15.5 million in Total Operating Expenditures for the year. In addition, the Authority was also able to defer borrowing additional debt in 2011 and pre-paid a State Infrastructure Bank (SIB) loan early that resulted in lower debt payments for the following three years.

Continued improvements in the Authority's financial position sustained this measure in 2012, as it ended the year at 2.89. It then decreased to 2.73 at the end of 2013 as fund balances slightly decreased. Completing 2014 at 2.37, this indicator remained well above both the budgeted amount of 1.69 as well as the Board established minimum of 1.50 efficiency rating. For 2015, this indicator completed the year at 1.79, better than the budgeted amount of 1.69, though continuing its slowly decline due to lower ending fund balances. For 2016, this indicator is expected to complete the year at 1.49 slightly higher than the budgeted amount of 1.32 due to projected improvements in the Operating Budget Revenues, in turn will increase total operating resource available for debt service coverage.

The **Sales Tax Contribution to Capital** includes direct support for capital projects, transfers to fund the Authority's bond retirement payments, and has a Board policy goal of 10% - 15%. This measure slowly grew between 2005 and 2008, from 12.2% to 14.3%, while continuing to meet the established Board policy goal. In 2009, as a result of the economic recession, Sales & Use Tax revenue decreased which in turn caused this indicator to jump to 18.0%. Since then it has fluctuated between a low 17.1% in 2012 to a high of 18.5% at the end of 2015. The indicator has continued to remain well above the goal of 15% to meet the need of the Authority's capital program.

For 2016 this indicator is projected to finish the year at 18.2%, above the maximum policy goal of 15%. The decrease in this measure, relative to budget is due to the \$6.40 million increase in revenues from the Sales & Use Tax in relative to capital growth. Despite the continued rebound in Sales & Use Tax revenue, which has continued for the last several years, this indicator will likely remain well above the Board Policy Goal in the near future due to the Authority's aggressive Capital program aimed at achieving a State of Good Repair (SOGR) throughout its capital assets.

At 98.2%, the **Capital Maintenance Outlay to Capital Expansion Outlay** ratio remains outside of the 75%-90% range outlined in the Board Policy goal, though close to the FY 2016 budgeted level of 94.2%. As in prior years, this measure continues to show the Authority's focus remains first on the maintenance or SOGR of its current assets rather than on the expansion of service levels. Given the financial constraints of recent years, this continues to remain the best course available as the Authority continues on its five-year bus replacement program, equipment upgrades and infrastructure improvements.

In summary, only one of the six financial indicators meets the Board Policy Goals. In recent years, RTA has generally met three of the goals. Increased costs eliminated the ability to meet the operating reserve and operating efficiency goals. Once again, we have hard work to do to maintain a financial position to serve the citizens of Cuyahoga County.

End of Year Funds

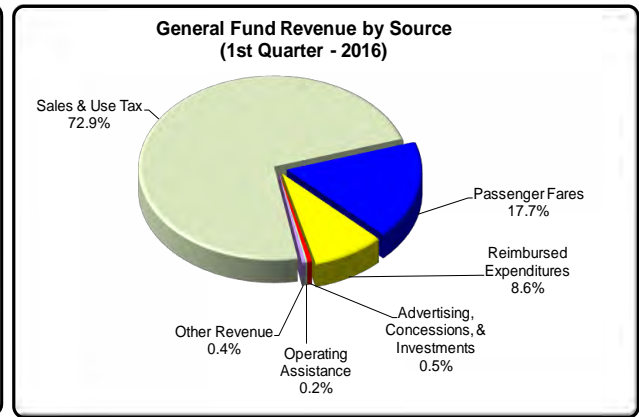
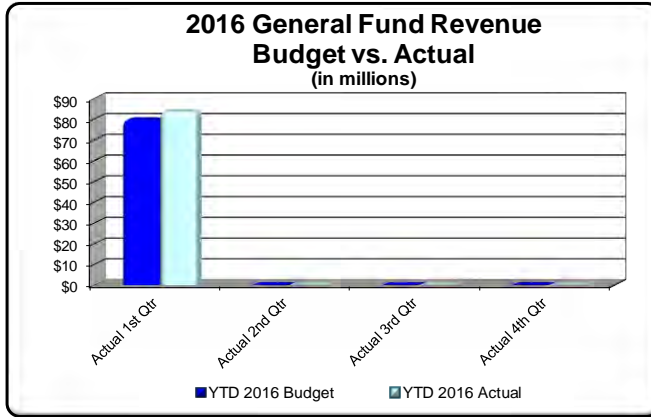
RTA's financial picture was stabilized in years 2011-2013. Consequently, RTA made a calculated decision three years ago to reduce PM Reimbursement and increase Capital expenditures. Transit is a capital-intensive business and the Authority has addressed some of the capital needs to ensure a state of good repair. This strategy continued through 2016. In spite of these efforts, there are well over \$260 million of capital projects that need to be funded. Costs are rising and the fund balance at 2015 year end declined. RTA must maintain a reasonable balance of at least 30 days operating reserve to maintain the balance between operating levels and capital needs. The drop in 2015 to a \$16.9 million balance will make it increasingly difficult to reach a 30 day balance in 2016. RTA must execute well in 2016 and 2017 in order to just maintain reasonable operating balances.

General Fund Balance Analysis

	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Estimate	Variance
Beginning Balance	40,713,946	38,394,322	26,870,717	25,894,064	16,897,707	(8,996,357)
Revenue						
Passenger Fares	48,699,580	49,085,267	48,419,211	51,475,500	49,475,500	(2,000,000)
Advertising & Concessions	1,400,191	1,488,870	1,442,677	1,420,000	1,420,000	0
Sales & Use Tax	189,630,645	197,118,776	205,843,321	212,243,660	212,243,660	0
CMAQ Reimbursement for 2012 Trolleys	1,104,680	704,063	533,478	0	0	0
Operating Assistance - Paratransit Operations	3,889,000	4,057,815	3,125,000	0	0	0
Operating Assistance - Trolley Operations	0	0	0	640,000	640,000	0
Access to Jobs Program	2,927,754	2,470,656	920,570	0	0	0
Investment Income	200,188	169,211	153,534	200,000	140,000	(60,000)
Other Revenue	1,177,962	1,470,683	1,254,771	1,100,000	1,250,000	150,000
Reimbursed Expenditures	15,217,046	17,324,469	19,720,588	22,000,000	25,100,000	3,100,000
Total Revenue	264,247,046	273,889,810	281,413,150	289,079,160	290,269,160	1,190,000
Total Resources	304,960,993	312,284,132	308,283,867	314,973,224	307,166,867	(7,806,357)
Operating Expenditures						
Personnel Services	169,098,188	181,305,658	186,608,791	192,616,439	189,282,346	(3,334,093)
Diesel Fuel	13,956,183	14,335,896	10,804,133	9,274,280	9,059,211	(215,069)
Natural Gas	1,388,300	957,626	1,119,725	1,707,000	1,647,000	(60,000)
Other Expenditures	46,529,565	51,458,576	53,128,282	64,075,686	58,519,011	(5,556,675)
Total Operating Expenditures	230,972,236	248,057,756	251,660,931	267,673,405	258,507,568	(9,165,837)
Transfer to the Insurance Fund	1,400,000	900,000	1,500,000	1,200,000	0	(1,200,000)
Transfer to the Pension Fund	100,000	100,000	100,000	100,000	100,000	0
Transfers to Capital						
Bond Retirement Fund	18,324,392	20,480,914	22,615,956	23,006,085	23,006,085	0
Capital Improvement Fund	15,770,044	15,874,745	15,509,273	15,579,812	15,579,812	0
Total Transfers to Capital	34,094,435	36,355,659	38,125,229	38,585,897	38,585,897	0
Transfer to Rolling Stock Reserve Fund	0	0	0	741,392	0	(741,392)
Total Expenditures	266,566,671	285,413,415	291,386,160	308,300,694	297,193,465	(11,107,229)
Available Ending Balance	31,494,322	19,970,717	16,897,707	6,672,530	9,973,402	3,300,871

2016 1st Quarter							
Financial Policy Objectives							
		Goal	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Estimate
Operating Efficiency	Operating Ratio	> 25%	22.0%	20.6%	19.9%	19.9%	19.9%
	Cost/Hour of Service		\$129.1	\$123.6	\$139.8	\$134.3	\$129.2
	Growth per Year	< Rate of Inflation	5.6%	-4.2%	13.1%	9.2%	-7.6%
	Operating Reserve (Months)	> 1 month	2.0	1.3	0.8	0.3	0.5
Capital Efficiency	Debt Service Coverage	> 1.5	2.73	2.37	1.79	1.32	1.49
	Sales Tax Contribution to Capital	10% - 15%	18.0%	18.4%	18.5%	18.2%	18.2%
	Capital Maintenance to Expansion	75% - 90%	84.1%	95.7%	98.9%	94.2%	94.2%

Operating Revenues

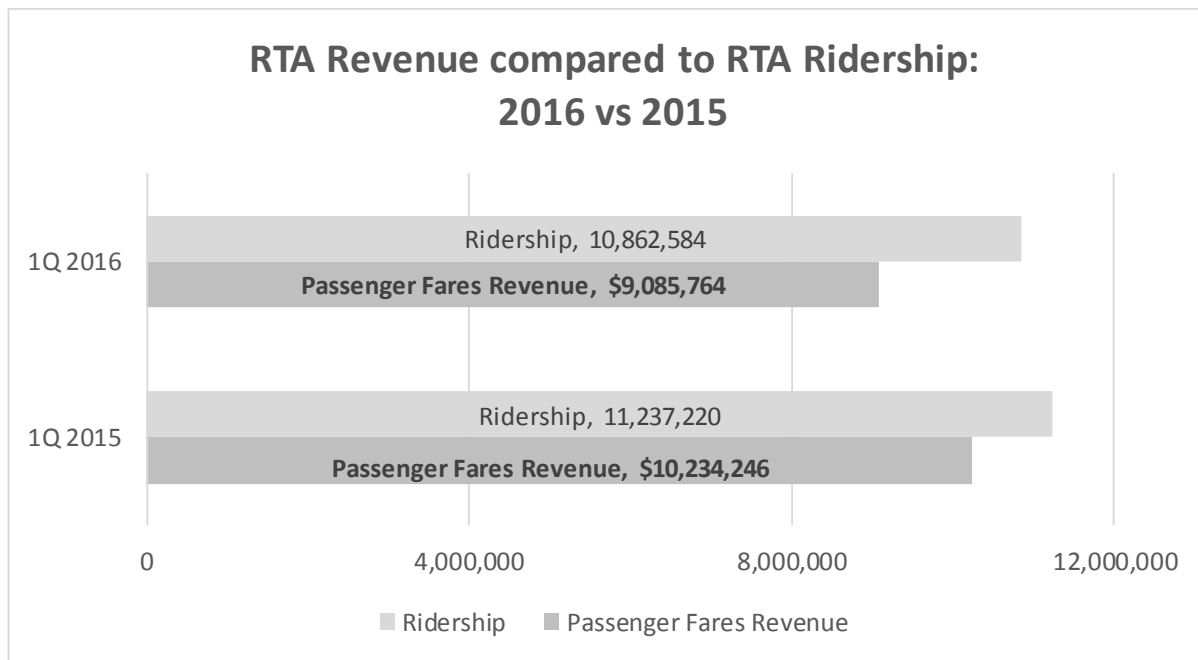


The pie chart to the right, and the bar graph at the left, visually portray the revenue status. The General Fund revenue received through the 1st Quarter of 2016 totaled \$83.7 million, about 5% more than budget and 7.9% more than the same time period of 2015. This is due to a timing issue of reimbursed expenditures. Funding which had been projected to be received in late 2015, was not received until early 2016.

Sales & Use Tax, the largest source of local revenue, ended first quarter 0.86% below budget, but \$281,247 above 2015 receipts. Through the 1st Quarter, half of the Sales & Use Tax categories received less funding than the 1st Quarter of 2015. April 2016 receipts were better, with only six of the 21 categories less than April 2015 receipts. Passenger Fare revenues, the second largest source of revenue, ended the quarter \$2.2 million below budget and 11.2% below 2015 receipts during the same period. The following section provides a more detailed account of each of the revenue streams.

Passenger Fares

Actual Passenger Fare revenue received for the first quarter of 2016 was \$9.1 million. This is \$2.2 million, or 19.74%, below budget, and \$1.1 million, or 11.2%, below the same period in 2015. Total system ridership for the first quarter of 2016 was approximately 10.8 million which is 374,636 less rides or 3% below the same period in 2015. Lower ridership has directly impacted the passenger fare revenue through the first quarter of 2016 and can be attributed to lower gasoline prices.



The U-Pass Program is a contract with several area colleges and universities for their students to ride RTA. Currently, participants in the U-Pass program are Case Western Reserve University (CWRU), Cleveland State University (CSU), Cleveland Institute of Art (CIA), Cleveland Institute of Music (CIM), and Cuyahoga County Community College (TRI-C). Cleveland State University, CWRU, and Tri-C all pay a flat rate based on the total number of students enrolled for a semester.

Compared to first quarter 2015, the U-Pass revenue received for 2016 was lower by \$420,590 or 97% due to a timing issue. The changes in the first quarter U-Pass revenue were all due to a late payment received, where a payment from CSU for 2016 was not received until April 2016. All other U-Pass payments, besides CSU, were received in December 2015 for early 2016.

Student Fare Cards experienced a higher level of fluctuation in the passenger fares revenue category since student riders are typically seasonal riders with summer vacations, various breaks, and numerous holidays which impact the level of usage. Revenue for Student tickets is higher by \$136,819, or approximately 45% in the same time period. Cleveland Municipal School District (CMSD) entered into a new contract in June 2016.

Students Farecards for the 2015-2016 school year, totaling \$4.2 million, were purchased in August 2015. Student Farecards for the 2016-2017 school year will be purchased by CMSD in August 2016.

To provide a more stable and informative indicator, RTA analyzes the core passenger fare, which tracks performance of passenger fare by excluding U-Pass and student tickets. Through March 2016, the differences in the monthly core passenger fare, compared to 2015, are listed in the table to the right (in millions).

Core Passenger Revenue			
Month	2015 Fares*	2016 Fares*	% Change
Jan	\$ 3.36	\$ 3.15	-6.3%
Feb	\$ 3.42	\$ 2.99	-12.6%
Mar	\$ 3.45	\$ 2.95	-14.5%
Qtr End	\$ 10.23	\$ 9.09	-11.1%

**Above figures are in millions*

Through the first quarter of 2016, core passenger fare decreased 11.1% compared to the same time period in 2015. March has the largest monthly decline in the first quarter of 14.5%. This is exacerbated by the fact that weather was a major factor in the first quarters of 2014 and 2015. Schools and businesses were closed and parents had to find alternative care for their children. For first Quarter 2016, the weather has been very mild and the minimum average temperature was 27 degrees, compared to 17 degrees in 2014 and 16 degrees in 2015.

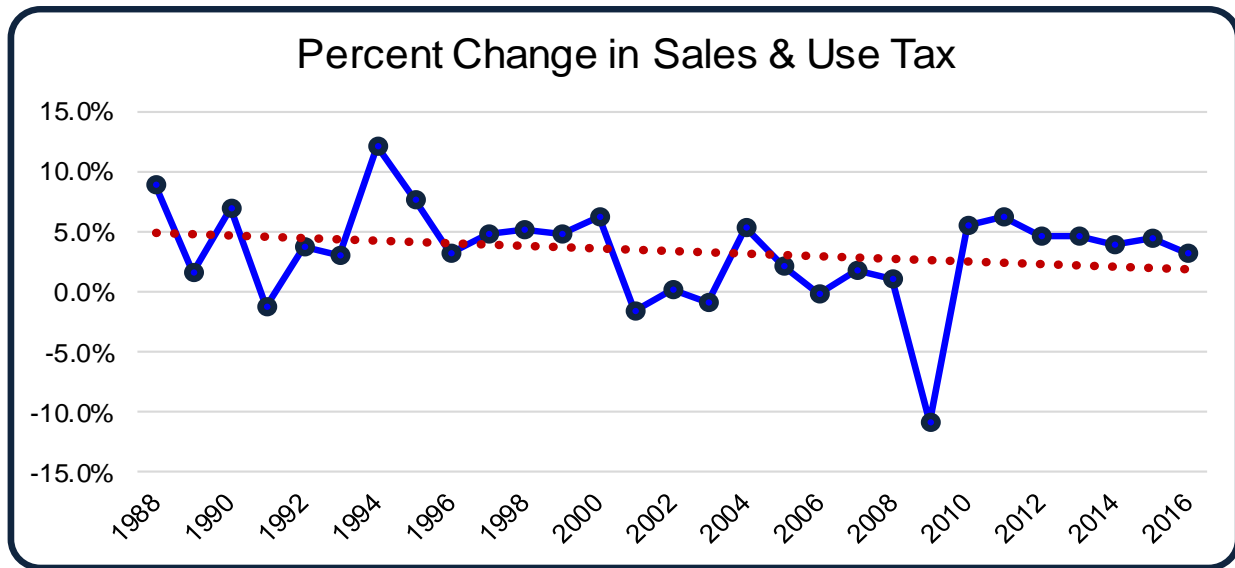
In summary, only Paratransit cash fares, student tickets, and the All-Day Passes increased in the first quarter of 2016. All other passenger fare revenue categories such as: cash, tickets, and passes decreased compared to the first quarter of 2015. Similar to passenger fares, ridership in all modes decreased in the first quarter of 2016.

Advertising and Concessions

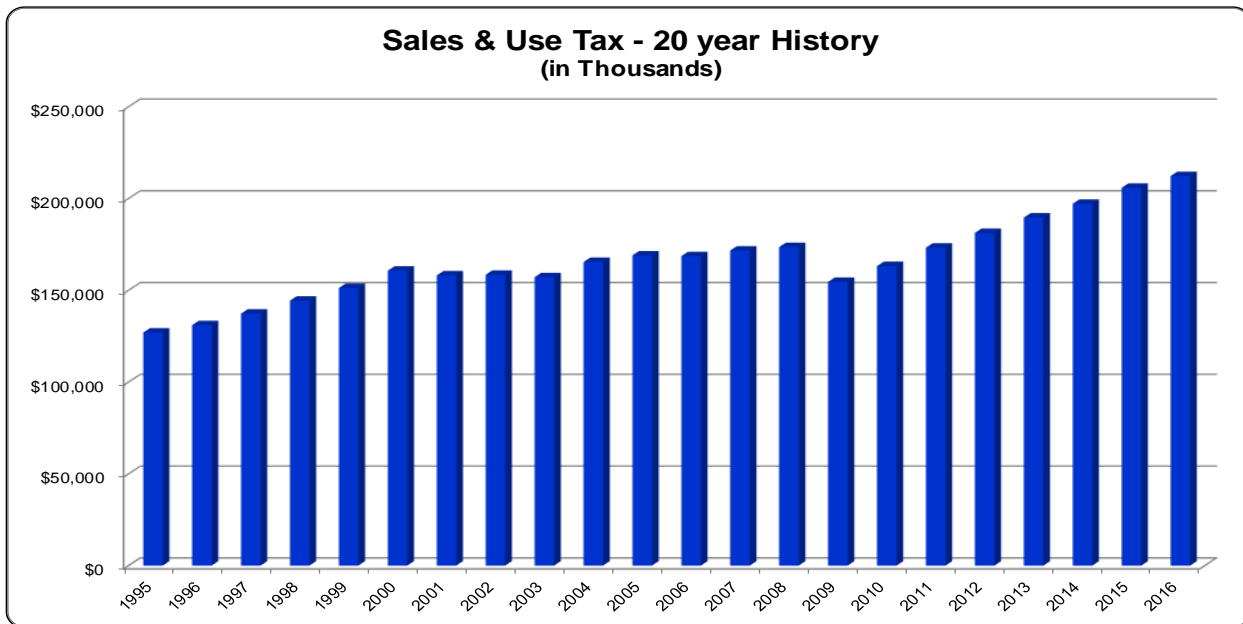
Revenue received from Advertising and Concessions includes advertising on the buses and trains, concession income, and naming rights funding for the HealthLine and CSU Line. Funding received through the 1st Quarter totaled \$520,935. This is primarily made up of the bus and rail vehicles advertising as well as the naming rights. Funding for this category is 15.2% higher than in the 1st Quarter 2015 and 17.0% higher than budget. The 2016 budget for Advertising and Concessions is \$1.4 million. In 2015, collected receipts for this category totaled \$1.4 million. Total collections are projected to meet budget.

Sales & Use Tax

Sales & Use Tax was dramatically affected by the Great Recession. Collections dropped nearly 11% in 2009 but quickly recovered as managed care was added to the tax base in 2010. Since 2011, Sales & Use Tax receipts have been increasing at a decreasing rate. In 2011, receipts rose 6.1%, compared to 2010 collections. Collections rose in 2012 through 2015 by 4.6%, 4.6%, 3.9%, and 4.4%, respectively. Collections are estimated to end 2016 at \$212 million, 3.1% higher than 2015. The chart to the right shows the percentage change in collections each year and the trend line over the last 20 years.



Receipts through the 1st Quarter of 2015 were 6.5% above budgeted levels and 8.8% above the 1st Quarter 2014. The 1st Quarter of 2016 grew at a slower pace and only increased by 0.52%, compared to 1st Quarter 2015. Collections received in March 2016 include receipts collected from December 2015. March collections only rose 0.8%, compared to the same time period in 2015, but April 2016 collections increased by 7.5%, compared to the April 2015. Total collections through April 2016 rose nearly 2% compared to 2015. The 2016 budget estimate collections increasing by 2.7% and ending the year at \$212.2 million. Collections are seeming to level off and current estimates question whether year-end receipts will meet budget. With the Republican National Convention (RNC) occurring in July and bringing thousands of people to Cleveland, the year-end estimate will remain at budget.



State Operating Assistance

The single source of revenue in this category was Ohio Elderly Fare Assistance. The disbursement of these funds used to occur in December of each year. The last disbursement RTA received was for a partial year in August 2010. In 2010, the State declared that these funds would no longer be sent to the eight largest transit agencies in the State but would allocate these funds to the small rural authorities. These funds were to reimburse the large transit systems for offering half price fares to seniors during peak operating periods. Although the funding was eliminated by the state, RTA continued to provide the benefit.

Access to Jobs Grants

The Access to Jobs revenue assisted GCRTA in providing vanpool and reverse commute services consistent with Welfare to Work initiatives. The funds from this source have been uneven over the past few years. Federal funding for the JARC/Access to Jobs program was eliminated in the new Transportation Bill, MAP-21 and no alternate funding was created. The final grant funds enabled this program to continue through 1st Quarter 2015 and the program ended April 1, 2015.

Investment Income

Through 1st Quarter 2016, Investment Income earned totaled \$13,544. This is \$67,877 lower than the same period in 2015 and 87% lower than budget. The Authority is only receiving 0.46% interest on its investments. This is further amplified by the declining balance of the General Fund. The 2015 budget for this category was \$225,000, but ended the year at \$153,534. The 2016 budget is \$200,000. With the declining balance and reduced receipts in the first quarter, the year-end estimate for this category has been reduced to \$140,000.

Other Revenue

This revenue category is difficult to project as it consists of various claim reimbursements, rental income, salvage sales, and identification card proceeds. For 2014, the Authority received \$1.5 million in the Other Revenue category, which was 0.5% higher than the budget. For 2015, receipts received totaled \$1.3 million, about \$0.1 million more than budget, but \$0.3 million less than 2014. Total receipts for Other Revenue received in the 1st Quarter 2016 totaled \$220,469, about 22.6% less than budget and just over \$100,000 less than 2015 receipts during the same period. Currently the budget for this category is \$1.1 million. Based on funding received over the past few years and the monthly variation in receipts, the year-end estimate for this category has been increased to \$1.25 million.

Reimbursed Expenditures

Reimbursed Expenditures category includes reimbursements for preventive maintenance, fuel tax, force account labor, as well as other state, federal, and local reimbursements. In prior years, other reimbursements included Paratransit Operating Assistance, and CMAQ Trolley Reimbursements. In 2010, reimbursed expenditures were \$39.2 million. With the improvements in our fiscal condition in 2010 and 2011, RTA made the decision to lower reimbursement for preventive maintenance for 2011. Preventive Maintenance for 2012 was lowered again and year-end receipts totaled \$17.0 million. This allowed \$10 million in formula grant funds to be used for capital projects in lieu of operating revenue. Additional

projects were identified and moved forward on the schedule. For 2013 and 2014, the total was held to \$15.2 million and \$17.3 million, respectively, allowing additional funds to again be available for capital projects.

For 2015, Reimbursed Expenditures were budgeted at \$23.1 million Reimbursements for Fuel Tax and Labor are budgeted at \$1.3 million and \$1.7 million, respectively. The remaining budgeted \$20.1 million was for preventive maintenance reimbursements. Preventive maintenance reimbursements was lowered mid-year to \$18.0 million because Sales Tax was strong and capital projects needed funding. The reduction of grant-funded reimbursements to the General Fund has been a long-term goal to maintain the level below \$20 million in order to allow funding to be put toward capital projects and maintain a state of good repair. RTA ended the year at \$19.7 million. Two payments totaling \$2.2 million were not received prior to year-end, but were received in the 1st Quarter of 2016.

Through the 1st Quarter of 2016, \$18 million was received for preventive maintenance, nearly \$1 million was received for force account labor, and \$204,076 was received for fuel tax refund. Total receipts in the 1st Quarter were nearly 56% higher than budget and 62.8% higher than collections received in the 1st Quarter of 2015. Total funding by year-end is estimated at \$25.1 million, which includes the \$2.2 million from 2015, which was received in 2016. CMAQ reimbursements for the Trolley and Paratransit Operations ended in 2015.

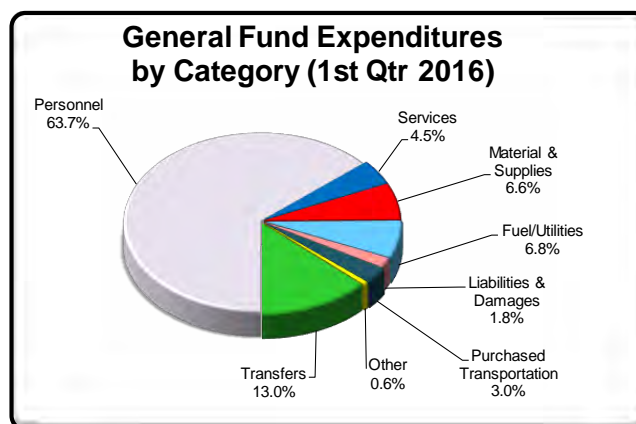
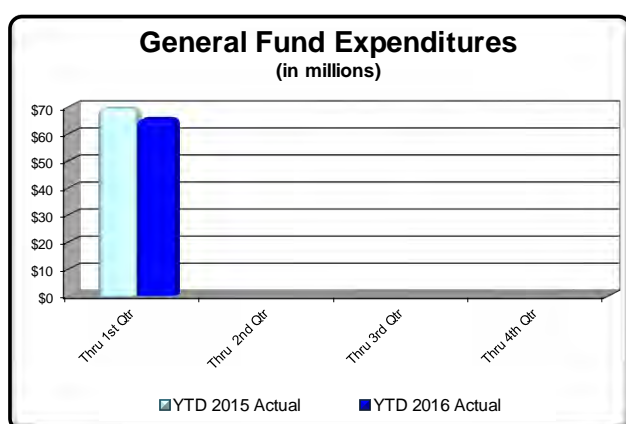
Operating Expenditures

The chart to the right itemizes the major cost categories and compares projected costs with the current budget. The 2016 Operating Budget (not including transfers) includes \$267.7 million originally adopted for 2016 plus prior year rollover encumbrances of \$7.9 million for a total budget of \$275.6 million. Please note: this presentation

2016 1st QTR ACTUALS BY CATEGORY CURRENT BUDGET vs. ACTUAL COMMITMENTS				
Category	Current Budget	Projected Expenses	Variance vs. Current Budget	
Personnel Services	192,643,676	189,306,583	3,337,093	1.73%
Services	17,833,429	15,891,439	1,941,990	10.89%
Material & Supplies	22,308,837	21,661,040	647,797	2.90%
Fuel/Utilities	23,870,454	22,217,594	1,652,860	6.92%
Liabilities & Damages	5,912,850	5,298,571	614,279	10.39%
Purchased Transportation	10,334,255	9,985,372	348,883	3.38%
Other	2,718,018	2,092,384	625,634	23.02%
Transfers	40,627,289	38,685,897	1,941,392	4.78%
	316,248,808	305,138,880	11,109,928	3.51%

differs from the expenditure number appearing in the fund balance statement on page 6 because it includes prior year encumbrances. Expenditures, net of prior year encumbrances, are further highlighted with the bar graph and the pie chart below.

Through the 3rd Quarter of 2014, personnel and operating costs for department needs totaled \$182.3 million. Personnel services, the largest category, was at \$133.7 million. By year-end, the total operating budget ended the year at \$248.1 million. Personnel ended the year \$2.0 million over the original budget due to a 27th pay in ATU Operator and Hourly payroll, a health-care benefit that ended the year higher than expected, higher than projected overtime and Operator levels, and an increase in retiree payouts. Through the 3rd Quarter of 2015, Personnel Services totaled \$132.3 million and was projected to end the year \$1.4 million, or 0.8% under budget. In the 4th Quarter, fringe benefits increased by nearly \$4 million, mainly due to increases in health care and prescription costs. Total personnel costs, not including fringe benefits, in 2015 were 0.3% above budgeted levels and 1.5% above 2014 costs.



Through the 1st Quarter of 2016, \$57.9 million was expensed. This is 5.6% lower than 2015 during the same period. The largest category is Personnel, which ended the first quarter at \$42.0 million, only 0.5% above the 1st Quarter 2015. In this same category, Fringe Benefits ended the 1st Quarter 4.9% below 1st Quarter in 2015. Total expenses in the 1st Quarter of 2016 were 5.5% below the same period in 2015. Below are more details about each of the categories.

Personnel Services

Personnel Services are budgeted at \$192.6 million. This included Operator, Hourly, and Salary labor, overtime, and Fringe Benefits. The year-end expenditure for this category in 2014 was \$181.3 million or 1.1% over budget due to a 27th pay for Operator and Hourly labor and fewer vacancies than budgeted. In 2015, total personnel costs were \$186.6 million, or \$3.8 million above budget, mainly due to \$4 million of health care and prescription invoices that were received in the last 3 weeks of December.

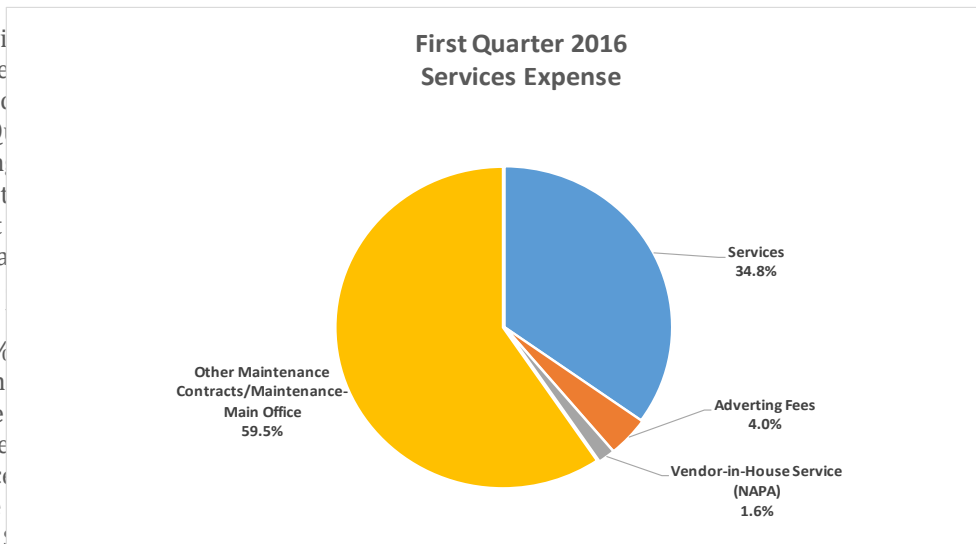
An innovative contract settlement was reached in 2013 with ATU and FOP that tied wage increases to revenue increases. For 2014, a 3% wage increase for the ATU, FOP, and Non-Bargaining employees was executed. The ATU contract ended in August 2014 and negotiations continued through the 2nd and 3rd Quarters of 2015. A new contract agreement was reached in October and retro wage increases for ATU employees were paid in December. Negotiations for FOP were finalized and FOP employees received a 3% pay raise for 2015. The new contracts continue to tie wage increases to revenue increases. Non-bargaining personnel received a 3% merit-based increase in March 2015.

ATU personnel received a 3% wage increase in February 2016 with future increases being a function of the revenue formula. FOP personnel will be receiving a 2.5% wage increase for 2016 based upon the formula negotiated. In 2015, Prior-year payments of \$1.9 million were received from Cleveland Municipal School District due to an audit, which increased the total payments received in 2015, but the funding was actually from prior years. Without this additional \$1.9 million, the increase in 2015 of Sales & Use Tax and Passenger Fares would be 2.5% above 2014. Non-Bargaining wage increases have been delayed and will be tiered based on grade levels. The EMT (Executive Management Team) will receive no pay increases in 2016.

With the changes to health benefits nationwide, the Fringe Benefits category has been difficult to project. The budget for Fringe Benefits is \$50.7 million and through the 1st Quarter, \$10.7 million has been expensed. Health Care and Prescription costs have risen over the past few years and these will have to be closely monitored throughout 2016.

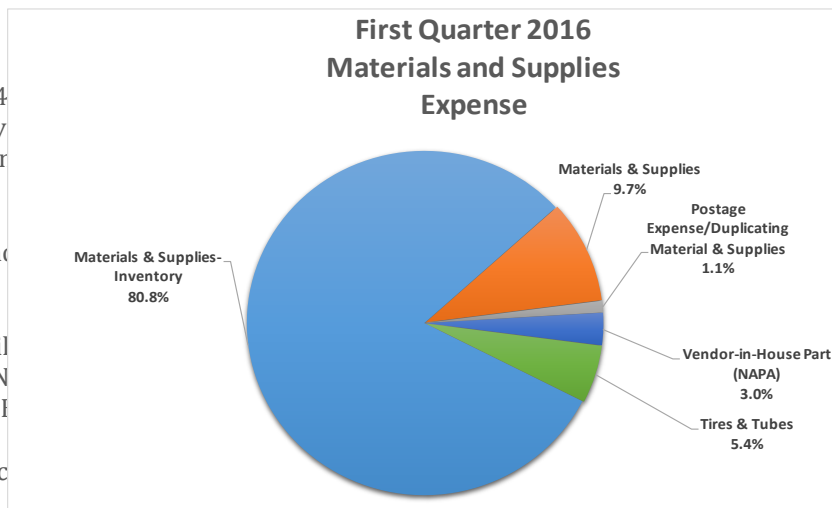
Services

Through the 1st Quarter of 2016, Services Expenditures totaled \$3.1 million. The expense stems from contractual services. \$1.9 million was expensed in the 1st Quarter. Additional sections include advertising, vendor services for the NAPA contract for overseeing inventory processes at Paratransit Facility, shelter cleaning, a maintenance and administrative help year-end, expenses are anticipated to million, which is approximately 12.7% the total budget for the year. In fourth 2015, the services category ended the \$12.5 million, which is 16.4% over the budgeted for the year. General Services Maintenance Contracts composed the of the annual expenses with a total of \$ million spent. The increase in expenses from 2015 to 2016 is due to the increase in Maintenance Contracts. In 2015, \$5.5 million was spent in Maintenance Contracts. This year, an anticipated \$8.5 million will be spent in this category.



Material and Supplies

Material and Supplies expenses totaled \$4 million for the first Quarter. This category includes inventory, postage and duplicating expenses, office supplies, NAPA vendor parts at Paratransit and miscellaneous parts. The largest expense for Material and Supplies is inventory where \$3.8 million was expensed in the first Quarter. \$2.5 million of the annual inventory budget will be used for Predictive Maintenance for CN buses, HealthLine and 2800 and 2900 NAPA fleets, as well as for fare boxes. This is a continuation of the Predictive Maintenance Process, which began in 2015. For 2016, the anticipated expenses are \$19.7 million,



which is approximately 3.2% under budget. In fourth Quarter 2015, Materials and Supplies ended the year at 8.9% over budget with \$19 million expensed, \$14.1 million of which was spent on inventory. The slight increase in budget for Materials and Supplies from 2015 to 2016 is due to an increase in inventory budget

Fuel/Utilities

The Energy Price Risk Management Program has helped to transform net diesel fuel costs. The fuel hedging program has stabilized RTA’s fuel costs and has also lowered the overall cost. For 2010 diesel fuel net costs were about \$8 million, \$9.4 million less than 2009. Net fuel costs for 2011 were \$9.9 million. The cost of fuel rose. In 2012, RTA ended just \$250,000 under budget at \$12.6 million. For 2013 net fuel costs were \$14.028 million, about \$192,000 over budget. The system was working exactly as it was designed and protecting the Authority against any dramatic rise in fuel prices. The savings over those years was about \$16 million. The budgeted fuel cost for 2014 was \$14.182 million. Expenses ended the year at \$14.336 million, about \$184,000 over budget. GCRTA was completely hedged through Q3 of 2014 and only 30% hedged for 2015. RTA needed to add future contracts for Q4 2014, 2015, and 2016 as soon as an opportunity presented itself. On August 4, prices dropped by 25 cents/gal, and the Authority bought hedge contracts. Crude oil prices dropped from \$100/bbl to \$80/bbl and diesel hedges dropped from \$3.05/gal to \$2.85/gal and continued to drop to \$2.50/gal. Crude oil prices dropped all the way to \$65/bbl. RTA purchased 5.4 million gallons of diesel hedges in 129 contracts. All of 2014 and 2015 were hedged and 2016 was fully hedged through August. On November 27th, OPEC decided to hold production and maintain market share. The market reacted and prices dropped sharply. Crude oil dropped to less than \$50/bbl. The market is now dramatically oversupplied. Crude closed 1st Q 2016 at \$38/bbl. RTA is fully hedged through 2018. Fuel for 2016 is hedged at \$2.53/gal, 2017 at \$2.17/gal and 2018 is hedged at \$1.73/gal. A total of eight 2019 contracts have been purchased with an average price of \$1.57/gal.

The budget for fuel for 2015 was \$13.44 million. With financial adjustments made, expense for the year were \$10.8 million. The 2016 fuel budget is \$9.3 million.

Cumulative electrical savings of \$16.1 million have been realized from 2010 through 2015. An electrical supply contract was bid at the end of 2013. Six bids were received and the provider was selected with just a

slight increase from the last three years, though not nearly as high as was expected considering the scheduled closure of 4 Ohio coal fired power plants. An electrical RFP was issued in February 2016 with goal of further locking in current low prices. The next contract will be awarded on April 26th.

Natural gas prices have been locked in through mid-2017. For 2015, Electricity, Propulsion Power, and Natural Gas all ended the year under budget. Electricity was \$825,000 under budget and Propulsion Power was \$700,000 under budget. For 2015, natural gas was \$200,000 under budget.

Compressed Natural Gas for the CNG buses had an average pre-tax and credit cost of \$0.97 and after tax and credit cost of \$0.50 for 1st Q 2016. This is well below the costs we had estimated.

Liabilities & Damages

This category includes workers' compensation claims and payments, liability and property claims and damages, and insurance costs under \$1 million. The safety initiatives implemented over the past several years have helped the Authority become a safer system and decreased claims for injuries and damages. For 2014, the Liability & Damages category ended the year 4.7% under budget. Through the 3rd Quarter of 2015, the expenses for this category totaled \$3.3 million and ended the year at \$3.9 million, about 6% under the current budget appropriation, mainly due to lower than budgeted insurance premiums and claims. In 2016, physical damage insurance was 14.4% under budget and the workers' compensation administrative fee will be about 8.8% under budget. By year-end, this category is expected to total \$5.3 million, or 10.4% under budget.

Purchased Transportation

The three major components in this category are the ADA Purchased Transportation program, Access to Jobs vanpool program, and Operating Assistance for Brunswick and Medina. In 2014, this category ended the year 1.7% over budget due to an increase in ADA Purchased Transportation needs.

A pilot program was implemented in mid-year 2011 for ADA purchased transportation to alleviate the increased demand for the service. This program was very successful and a new contract was signed in 2012, which continued through 2014. Two additional contracts for purchased transportation were extended through October and the new contracts began in November. For 2015, ADA purchased transportation was budgeted at \$8.1 million, which includes a transfer of \$562,000 due to increased ridership. By year end, costs totaled \$8.4 million, or 2.8% below the current budget appropriation. For 2016, ADA Purchased Transportation is expected to meet budgeted levels of \$9.3 million.

A one-time payment for Medina Pass-Through was made in 2014 totaling \$370,000. Although this payment was not budgeted, savings from the other categories covered these expenses. Pass-Through payments for Brunswick ended the year at \$523,742 and a one-time payment of \$63,160 was made for the Medina Pass-Through. For 2016, the Brunswick Pass-through funding are expected to meet the budgeted level or \$625,411. Medina Pass-through funding will not be needed and a savings of \$348,883 will be available at year-end.

The Work Access program, or Access to Jobs program, enabled the RTA to provide vanpool and reverse commute services with Welfare to Work initiatives. The funding for this program was eliminated with the MAP-21 Transportation Bill and no alternative funds were created. The expenses in the category were the

remainder of the funding from 2014, which enabled the Authority to provide services through March 2015, and this program ended April 1, 2015.

Other

The Other Expense category includes tuition reimbursement, property tax, leases and rentals, and other miscellaneous expenses such as travel and training costs, which makes this category difficult to project. The Other Expenses ended 2014 15.3% under budget with savings in all areas. For 2015, expenses ended the year at \$1.6 million, or 13.3% under current budget appropriation. This category is expected to end the year at \$625,634, or 25.2% under budget.

Transfers to Other Funds

Transfers from the General Fund to the other Funds of the Authority are made periodically during the year to establish payments for catastrophic losses, benefits for certain retired employees, local funding and local match for capital projects, and principal and interest payments on issued bonds. These funds include the Insurance Fund, Pension Fund, Capital Fund, and Bond Retirement Fund. The transfer to the Supplemental Pension Fund of \$100,000 was completed in the 1st Quarter, which met the budgeted level. This fund was established for assets held by the Authority in a trustee capacity for payments of benefits relating primarily to certain retired employees of the Authority and its predecessor transit systems.

In 2014, transfers were reduced to the Insurance Fund and ended the year under budget by \$1.2 million as implemented safety initiatives have helped to lower the costs of claims. For 2015, a transfer of \$1.5 million was budgeted and the transfer was completed in the 1st Quarter. At the end of the year, the ending balance totaled \$6.6 million. A \$1.2 million transfer was budgeted in 2016, however, with the higher than expected ending balance, a transfer will not be needed in 2016.

The Bond Retirement Fund transfer is the debt service less the investment income earned in the Bond Retirement Fund. The interest and principal payments on outstanding debt are taken from debt amortization scheduled. The Bond Retirement payment was lowered in 2012 and 2013 due to the \$3.8 million premium RTA received on the 2012 Bond Sale. In 2014, there was a refinancing issue of \$29.7 million, which helped to decrease costs by \$0.2 million. In 2015 a transfer of \$22.6 million was made, at the budgeted level. For 2016, a transfer of \$3.8 million was made in the first quarter. The total budgeted transfer that is expected by year-end is \$23.0 million. A refinancing issue is being considered for the 2nd Quarter. At this time, it is uncertain if this action will be taken.

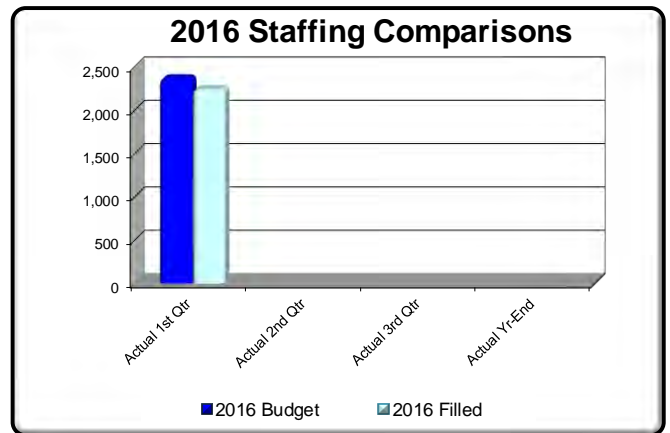
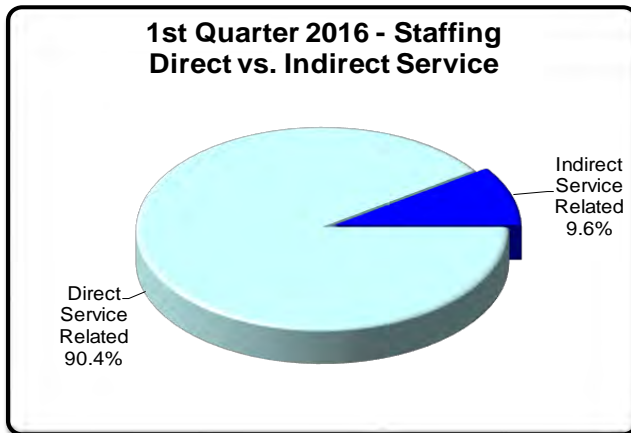
The transfer to Capital Improvement Fund covers 100% locally funded Asset Maintenance and Routine Capital projects in the RTA Capital Fund, as well as, required local matches for most grant-funded projects in the RTA Development Fund. Additional funding was needed for the Capital Fund transfer to cover necessary projects. In 2015, the total transfer to the RTA Capital Fund was \$15.5 million. For 2016, transfers of \$15.6 million are budgeted, of which \$3.5 million has been transferred during the 1st Quarter.

Staffing

The charts below summarize staffing at the end of the 1st Quarter of 2016. The bar chart shows the comparisons between budgeted and actual filled positions. The pie chart demonstrates the relationship

between indirect and direct service related positions. The 2016 approved Operating Budget funded a combined 2,361.8 full- and part-time Full-Time Equivalent (FTE) positions. At the end of the 1st Quarter, a total of 2,236.5 positions were filled, consisting of 2,116 full-time and 120.5 part-time positions.

Please note that since an operational FTE count for full- & part-time positions is not available, filled positions represent a head-count of all Authority employees rather than a representation of actual hours paid converted to an FTE measure as reflected in the budgeted numbers.



Bond/Insurance/Supplemental Pension/Law Enforcement Funds

In 2015, as a result of the Authority refinancing debt, the Authority’s debt-service ratio improved as debt service payments were reduced by \$342,554 below the budgeted amount for 2015. The transfer from the General Fund to the Insurance Fund was completed during the 1st Quarter at \$1.5 million. During the 2nd Quarter of 2015, the appropriation for the Law Enforcement Fund was increased by \$177,000 for personal protective equipment, specialized supplies, and other equipment for Emergency Services. In December 2015, an appropriation of \$150,000 was increased for radios.

For 2016, there has been no activity in the Law Enforcement, Bond Retirement, Insurance, or Pension Funds other than budgeted increases, scheduled set asides, activities on prior year encumbrances, and budgeted expenditures.

End of Year 2015 Capital Commitments and Expenditures

Commitments by Capital Category

Due to the multi-year nature of many capital projects, the budget for the Authority’s capital program is multi-year or Inception-to-Date (ITD) based. The current combined capital budget appropriation within the Authority’s 2016 capital program of \$316.11 million includes the approved Fiscal Year (FY) 2016 Capital Budget of \$56.69 million and \$259.42 million of carryover capital budget appropriations from prior years.

Projects within the capital program are placed within one of the eight categories included in the chart below. The chart presents the categories of the Authority’s capital program including their total commitments (expenditures plus current encumbrances) at the end of the first quarter and compares year-end projected commitments to current category budgets.

At the end of the first quarter, combined capital project commitments total \$244.90 million including \$181.18 million of ITD expenditures and \$63.72 million of current encumbrances resulting in a positive variance of \$67.70 million, or 21.7%, relative to the combined capital budgets. With the exception of \$18.03 million of expenditures for preventive maintenance (PM) and other reimbursements to the Operating Budget, most capital activities during the first quarter were for continuation of projects that began in prior fiscal years and in preparation for the planned FY 2016 construction schedule and equipment/vehicle acquisitions that will continue to focus on the condition or State of Good Repair (SOGR) of the Authority’s capital assets.

Projected activities within the RTA Capital and RTA Development Funds during the remainder of 2016 will result in estimated total commitments of \$273.10 million and a positive year-end variance of \$39.50 million, or 12.6% versus the combined budgets of the RTA Capital and RTA Development Funds. The projected positive variance within the Authority’s capital programs is due to the expected closeout of remaining budget appropriation in projects that were completed under budget, to the timing of anticipated grant awards delaying some budgeted capital activities until next year, to multi-year budgeted projects compared with the annual draws for project activities during the year, and to unanticipated cost increases in several construction projects that will now likely be delayed until next year due to a lack of funds.

PROJECTED YEAR-END CAPITAL COMMITMENTS BY CATEGORY

Category	Current Budget	Current Commitments	Projected Year-End	Proj. Variance vs. Current Budget	
Bus Garages	\$9,960,634	\$9,521,483	\$9,642,311	\$318,323	3.2%
Bus Improvement Program	\$61,806,146	\$59,668,118	\$60,133,884	\$1,672,262	2.7%
Equipment and Vehicles	\$16,738,980	\$12,924,219	\$15,530,924	\$1,208,056	7.2%
Facilities Improvements	\$24,855,586	\$15,835,012	\$20,904,952	\$3,950,634	15.9%
Other Projects	\$7,729,227	\$1,249,902	\$1,843,590	\$5,885,637	76.1%
Preventive Maint./Operating Reimb.	\$23,837,215	\$19,376,007	\$22,643,784	\$1,193,431	5.0%
Rail Projects	\$142,834,011	\$103,423,580	\$118,880,363	\$23,953,648	16.8%
Transit Centers	\$24,834,792	\$22,896,949	\$23,516,043	\$1,318,749	5.3%
Grand Total	\$312,596,591	\$244,895,271	\$273,095,851	\$39,500,740	12.6%

Current Year Expenditures by Capital Category

The chart below lists year-to-date (YTD) category expenditures and their related percentage of total capital expenditures for the current year through the end of the first quarter and compares them with the two previous years at the same point in time. So far, capital expenditures have increased relative to the two prior years, but this is due to the timing of Preventive Maintenance and other Operating Expense

Reimbursement draws processed during the first quarter that generated \$18.03 million, or 60.2 percent of all capital expenditures.

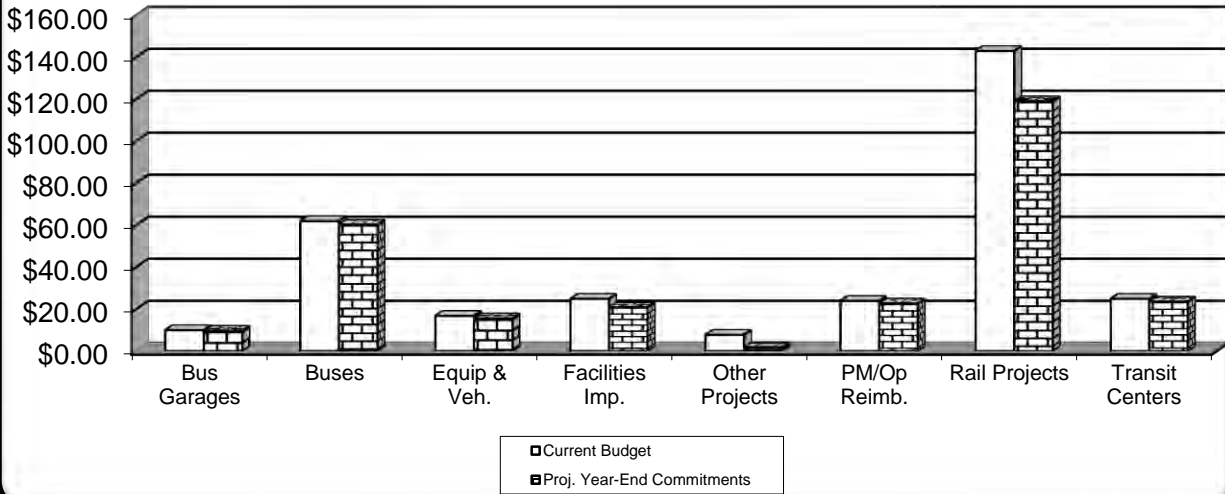
Most of the remaining capital expenditures in the first quarter were within the Rail Projects and Bus Improvement Program categories that generated a combined \$7.83 million, or 26.1% of capital expenditures with the balance of expenditures in much smaller amounts in the remaining categories. During the remainder of the year programmed capital activities including reconstruction of the Brookpark Red Line Station, Warrensville Station, Lee/Shaker Station, various track rehabilitation projects including three Light Rail Crossings, track rehabilitation at W.30th – W. 74th, Tower City track 7 & 8, Track Bridge reconstruction at East Boulevard/MLK and East 92nd Street, as well as the delivery of 12 Trolleys will significantly increase expenditures in the Rail Projects, Facilities Improvement and Bus Improvement Program categories.

Individual Capital projects with significant expenditures will be covered in the following discussion on the individual capital categories.

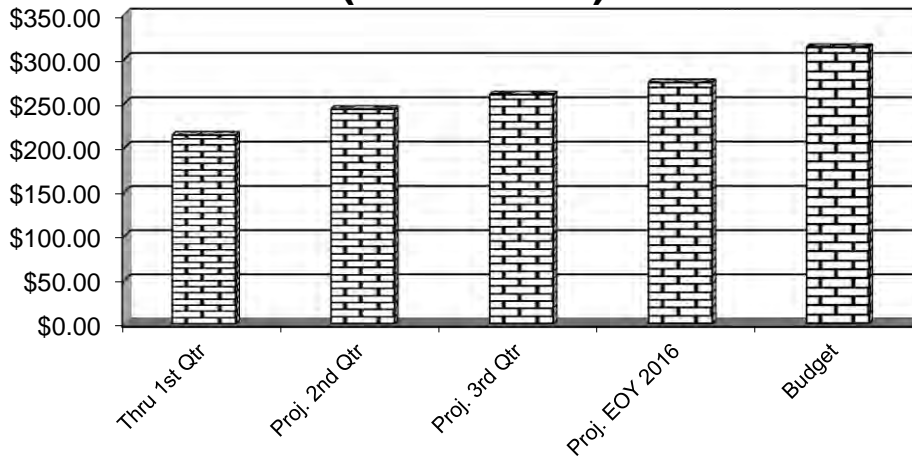
CAPITAL EXPENDITURES BY CATEGORY THROUGH FIRST QUARTER

Category	2016	%	2015	%	2014	%
Bus Garages	\$252,063	0.8%	\$37,418	0.2%	\$289,484	2.4%
Bus Improvement Program	\$3,750,748	12.5%	\$1,986,589	10.1%	\$42,678	0.3%
<i>Bus Rapid Transit</i>	\$0	0.0%	\$0	0.0%	\$0	0.0%
Equipment and Vehicles	\$556,838	1.9%	\$484,809	2.5%	\$1,934,170	15.9%
Facilities Improvements	\$2,226,587	7.4%	\$769,900	3.9%	\$625,512	5.1%
Other Projects	\$91,683	0.3%	\$1,429,332	7.3%	\$1,354,853	11.1%
Preventive Maint/Op. Reimb.	\$18,029,977	60.2%	\$12,062,029	61.3%	\$3,849,200	31.5%
Rail Projects	\$4,079,413	13.6%	\$2,512,919	12.8%	\$3,663,110	30.0%
Transit Centers	\$943,695	3.2%	\$385,753	2.0%	\$441,485	3.6%
Grand Total	\$29,931,004	100.0%	\$19,668,748	100.0%	\$12,200,492	100.0%

2016 Year-End Capital Fund Commitments vs. Category Budgets (in millions)



Total Capital Commitments (in millions)



The following is a brief explanation of each capital category included in the capital commitments and capital expenditure tables on previous pages.

Bus Garages

The current focus of programmed capital projects within this category is to prepare the Hayden Garage and Central Bus Maintenance Facility for the fueling of CNG buses and construction of the Triskett Outdoor Bus Storage.

At the end of the first quarter, \$9.52 million of the current \$9.96 million category budget was committed leaving a positive variance of \$439,151 or 4.4%. Total category commitments include \$4.45 million of ITD expenditures and \$5.07 million of current encumbrances. During the first quarter, \$252,063 in expenditures was generated in all projects within this category reflecting the incremental progress being made towards completion of programmed work.

Projected commitments of \$120,828 million for the remainder of the year include \$69,691 for completion of preparations to address CNG building compliance issues at the Hayden Garage and Central Bus Maintenance Facility (CBMF) for the operation of CNG fueled vehicles at those locations, and \$51,137 for the construction of an Outdoor Bus Storage lot at the Triskett Garage.

The positive projected variance of \$318,323 or 3.2% at the end of the year in this category is due to project savings and expected closeout of remaining within completed projects.

Bus Improvement Program

The Authority's capital program in FY 2016 includes the third and fourth years of a funded five-year bus and Paratransit bus replacement program. Through the end of March, category commitments total a combined \$59.67 million out of a total budget appropriation of \$61.81 million leaving a positive variance of \$2.14 million, or 3.5 percent.

The category expenditures of \$47.51 million includes purchases of 90 40-Ft CNG buses delivered in FY2015 and the upcoming delivery of twenty (20) Paratransit vehicles (MV1's) and twelve (12) Trolley buses due to arrive second quarter, 16 40-Ft CNG buses programmed for production and due for delivery first quarter 2017 and various bus spare parts to help maintain the Authority existing bus fleet.

The projected commitment of \$465,756 through the remainder of the year includes the order of one (1) additional replacement 40-Ft CNG bus. The positive projected variance of \$1.67 million, or 2.7 percent, is due to the timing of grant awards and commitments within the two budgeted bus spare parts projects.

Equipment & Vehicles

At the end of the first quarter, total commitments of \$12.92 million within this category included \$5.61 million of expenditures and \$7.31 million of current encumbrances resulting in a positive variance of \$3.81 million, or 22.8%. A majority of the current encumbrances, \$5.04 million or nearly 69%, remain within the on-going Fare Collection Equipment project. Intermittent progress has continued towards completion of outstanding items left on the contract, but completion of this project remains an open-ended issue.

Remaining encumbrances within this category are concentrated within SOGR equipment & vehicle upgrade projects throughout the Authority.

Combined category expenditures of \$556,838 through the end of March were led by 30% of the cost towards Paratransit Lift replacement at \$167,776 and 22% contributed to Network Infrastructure upgrades at \$123,423, with remaining capital expenditures scattered throughout other projects in this category. Additional commitments of \$2.61 million are projected during the remainder of the year. This amount includes a combined \$1.63 million for various information technology projects including software and hardware updates, \$438,000 for programmed replacements of non-revenue vehicles, and \$541,493 for equipment replacements and upgrades throughout the Authority with the balance of projected commitments scattered throughout projects within this category.

The projected year-end positive variance of \$1.21 million, or 7.2%, results from projected savings in on-going projects nearing completion, to significant continued delays in project time lines for a number of budgeted IT projects, and to the expected closeout of prior year's budget authority remaining within completed projects.

Facilities Improvements

At the end of the first quarter, combined commitments of \$15.84 million in this category included \$8.09 million of ITD expenditures and \$7.75 million of current encumbrances resulting in a positive variance of \$9.02 million, or 36.3%, versus the current category budget of \$24.86 million. During the first quarter, \$2.23 million was expended on various projects throughout the Authority with a majority, \$1.87 million, or 84.1%, on locally funded Tower City Escalator Replacement project. .

Projected commitments of \$5.07 million during the remainder of FY 2016 continue to focus on various SOGR projects throughout the Authority's facilities and bridges. The commitments during the remainder of the year include \$1.06 million for additional Asset Maintenance projects throughout the Authority, a combined \$2.84 to evaluate the conditions, and reconstruction of five bridges - the completion of Road Bridge at East 37th Street, reconstruction of East Boulevard/MLK bridge, completion of East 81st and East 83rd, rehabilitation of East 92nd Street Bridge, and East 116th Street Track Bridge. Another \$250,271 for demolition of the west bound Access Road Bridge at the Central Rail Maintenance Facility and \$853,400 for Viaduct Drainage & Concrete Repairs. Remaining projected commitments are in much smaller amounts and scattered throughout other on-going capital projects within this category.

The projected positive year-end variance of \$3.95 million, or 15.9%, for this category is primarily attributable to the planned closeout of prior year's budget authority remaining within completed projects, and to a delay in awarding of a contract for the East Boulevard Track Bridge rehabilitation due to an increase in projected construction cost.

Other Projects

The Other Projects category includes capital projects for pass-thru grants to other entities and other miscellaneous capital projects that don't fit into the seven remaining capital categories. At the close of the first quarter, this category has combined project commitments of \$1.25 million out of the category budget of \$7.73 million resulting in a positive variance of \$6.48 million or 83.8%.

During the first quarter of the year, a combined \$91,683 of expenditures was generated by projects within this category with most, \$74,073, or 80.8%, for the TSA Canine Security Team. Remaining expenditures to date were generated in smaller amounts throughout other projects within this category including \$12,610 legal services, \$5,000 for Transportation Study.

Projected commitments of \$593,688 during the remainder of the year include \$246,988 for the Career Pathway Program, \$234,000 from the pass-thru award for the Senior Transportation Connection, \$25,000 for Transit Oriented Development activities and an additional \$87,700 for Dues and Legal services. The positive year-end variance of \$5.89 million, or 76.1%, versus the current category budget results from several factors including the closeout of remaining unfunded budget appropriation left from completed projects throughout the RTA Development Fund, to multi-year budgeted projects compared with the annual draws for project activities during the year, and to the timing of commitments in the project to track the pass-thru award for the Senior Transportation Connection (STC).

Preventive Maintenance/Operating Expense Reimbursements

This category includes formula and non-formula grant funded reimbursements to the General Fund for various eligible activities. These include formula grant funded preventive maintenance activities within the General Fund, and non-formula grant funded reimbursements for the delivery of ADA services.

It is important to note, both for the current and future budget years that several of the non-formula reimbursement awards expired sometime during the prior fiscal year. These include a separate grant award for the JARC/Work Access program which was eliminated by Congress in the MAP-21 legislation and the CMAQ award for reimbursement of Trolley expenses which ended at third quarter last year. In addition, FY 2015 was the last committed year of grant funding for the annual ADA reimbursement award which reimbursed the General Fund \$3.125 million for ADA service delivery.

First quarter activities resulted in total commitments of \$19.38 million, all ITD expenditures, against a category budget of \$23.84 million creating an end of first quarter positive variance of \$4.46 million, or 18.7% percent. During the recent quarter, a combined \$18.03 million of expenditures were generated by projects within this category to reimburse costs incurred within the Operating Budget.

Projected commitments of \$3.27 million during the remainder of the year include additional draws of \$3.0 million for reimbursement of preventive maintenance activities, \$267,777 to partially reimburse the Operating Budget for the cost of providing ADA Supplemental Trips and Travel Trainer services. The projected positive variance of \$1,193,431, or 5.0%, is due to the multi-year budgeted project for the New Freedom & Travel Trainer program that cannot be drawn before the grant dead line.

Rail Projects

At the end of March, \$103.42 million of the \$142.83 million budget for the Rail Projects category was committed creating a positive variance of \$39.41 million or 27.6%. Total commitments within this category consisted of \$72.87 million of ITD expenditures along with \$30.56 million of current encumbrances.

During the first quarter of the year, \$4.08 million was expended on various Rail system projects, for a combined \$2.91 million or, 71 % of the expenses was derived from rehabilitation of Lee/Van Aken Blue Line

Station which open in FY 2015, reconstruction at Brookpark Station, replacement of Central Rail Lifts, and reconstruction of the Opportunity Corridor 2nd Headhouse at East 105. The remainder of the expenditures during the quarter occurred in smaller amounts in other budgeted projects within this category.

The focus of nearly all of the capital projects within this category is on achieving a SOGR throughout the Rail System. Projected commitments of \$15.46 million during the remainder of the year include \$6.69 million to begin the Engineering and Design and construction of three (3) substations at West 65th, Puritas, and Warrensville/Van Aken, \$1.3 million for rehabilitation work on the retaining walls along the Light Rail Line, \$1.19 million to reconstruct and finalize Little Italy Station pedestrian access, and begin Engineering & Design services for construction of an ADA accessible station at East 79th Street.

The projected positive variance of \$23.95 million, or 16.8%, versus the current category budget at the end of the first quarter is primarily due to cost savings in capital projects currently underway, the closeout of budget authority remaining in completed projects, delays in anticipated environmental inspection causing delays with grant awards that will likely push programmed budgeted commitments into 2017, and to the multi-year budgeted projects compared with the annual draws for project activities during the year.

Transit Centers

Including ITD expenditures of \$22.49 million and \$408,841 of current encumbrances, project commitments total \$22.90 million out of the approved current budget of \$24.83 million resulting in a positive variance of \$1.94 million, or 7.8% at the end of the first quarter.

In the first three months of the year, \$943,695 was expended on capital projects within this category with most, \$635,640, or 67.4%, towards completion of outstanding items on the Clifton Blvd. Enhancement project which opened in FY 2014. Remaining expenditures within this category of \$308,055 were incurred for parking lot improvement project.

Significant projected commitments during the rest of the year include an additional \$619,094 for remaining construction work and reimbursed final invoicing for the Clifton Blvd. Enhancement project, \$258,194 for a pass-thru grant award to the Cleveland Museum of Art (CMA) based on the assumption that a long outstanding reconciliation of the CMA project is completed this year, and \$272,673 towards enhancements (primarily for landscaping, bus shelters and ADA Access) throughout the Authority.

The projected positive variance of \$1.32 million, or 5.3%, at the end of the year is primarily due to projected savings on projects within this category scheduled for completion this year, to a delay in execution of an FTA award that will fund programmed ADA improvements and to the multi-year budgeted capital project for passenger enhancements compared with the projected project time lines.

Performance Measure

Performance Measure		2016 Target	1 st Quarter
Passenger Per Vehicle/Car Hour:	Bus	26	25
	Rail	64	63
	Total	30	29
Revenue Vehicle Cost Per Mile: (Maintenance & Fuel)		\$2.35	\$1.67
% of Scheduled Maintenance Completed: (Revenue Vehicles)	Bus	100%	93%
	Rail	100%	99%
	Paratransit	100%	100%

Critical Success Factors

Passenger Fare Revenue	The Passenger Fare Revenue performance measure is discussed in detail in the Financial Analysis Section of the report.
Preventable Accidents	The GCRTA Preventable Collision Rate (PCR) TEAM goal for 2016 is 1.40. The 2016 YTD 1st Quarter PCR is 1.49, which is 6.4% higher than the TEAM goal and 17.7% lower than the 1.81 PCR for the same period in 2015. Total preventable collisions decreased 17.4% to 90 from 109. Mileage increased .5%
Total Collision Rate	The GCRTA Total Collision Rate (TCR) for the 2016 YTD 1st Quarter is 4.01, which is 27.6% lower than the 5.54 TCR for the same period in 2015. Total collisions decreased 27.3% to 242 from 333.
Injury Collision Rate	The GCRTA 2016 TEAM Injury Rate Goal is 10.0. The 2016 YTD 1st Quarter Injury Rate of 7.30 is 27% below the TEAM Goal and 33.5% below the 10.98 Injury Rate for the same period in 2015. Total injuries decreased 32.7% to 35 from 52.
Number of Miles between Service Interruption	The Number of Miles Between Service Interruptions (Reliability) is defined as mechanical failure that results in inability for the bus/train to operate in revenue service. For the first quarter of 2016, the YTD figure for No. of Miles Between Service Interruptions was 10,445 miles, as compared to 6,842 miles for 2015, which represents a 52.66% improvement in this indicator.
On-Time Performance	On-Time Performance is defined as a bus or train arriving from 0-5 minutes after its scheduled time. Composite On-Time Performance for the first quarter of 2016 for bus, light rail, and heavy rail was approximately 69%, as compared to 70% for 2015, representing a 1.43% decline in this TEAM measure.
Ridership	<p>Total system ridership for February was 3.3 million an increase of 8.8% or approximately 291,000 more rides. An extra weekday due to leap year helped facilitate an increase, as average weekday rides were up more than 4%, as an average of 152,000 trips were provided daily. Total Bus ridership is up 8.5% for the month, the highest in February since 2014. Less snow and unseasonable warm temperatures, meant no snow days for area students and more school trips on the system. Our robust February has all but dug us out of our dismal January hole. Year-to-date total ridership is down only ¼ of 1%.</p> <p>Red Line ridership in February was over 502,000 rides, a significant increase of 12.1% from 2015. Blue and Green Lines increased nearly 8% in February. Total Rapid Transit ridership is up almost 2.5% for the year, with Heavy Rail has increasing 3.2%</p>

Ridership Cont'd	and Light Rail remaining steady. A mild winter compared to 2015 did not plague us with the signal and track issues as in years past. Total trolley ridership in February was 128,435, remaining steady over 2015 with a slight decrease of 0.3%. Average daily trolley ridership was 6,148 rides, a decrease of 2.9% from last year.
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Fourth Quarter Initiatives and Special Promotions to Increase Ridership

During February, several new clients signed up for the Commuter Advantage program including: Brooks and Stafford, Law Office of Joyce E. Barrett, and Shaker Imports.

The eighth annual Brite Winter Fest was held on the West Bank of the Flats on Saturday, February 20. More than 70 bands, local artists, and culinary institutions were spread throughout the west bank. The free event brought in thousands of spectators and with limited parking, many utilized the Waterfront Line, where a free shuttle provided by Brite took them to the festival.

In February, several events occurred around the city, including concerts at the House of Blues, Quicken Loans Arena, and CSU Wolstein Center, Monster Jam, Lake Erie Monsters and Cleveland Cavaliers home games, and Downtown Cleveland Restaurant Week. To accommodate the large crowds of spectators, RTA offered additional rail service. In addition, RTA has more than 7,000 free parking spaces at rail stations and park-and-ride lots to ensure safe, speedy, and affordable travel to and from events.

During the month of February, RTA participated in several community events throughout the Greater Cleveland area including speaking engagements and informational sessions at the following collaborative meetings: Glenville, Hough, and Heights; meetings at Carnegie Towers, Murtis H. Taylor, South Euclid Senior Center, Indian Hills, Marc Apartments, Musicians Towers, Benjamin Rose Senior Companion Group, Holy Redeemer, Campbell Courts, Winton Place, University Towers, Gates Mills Towers, Northeast Ohio Social Service Coordinators Meeting, Cuyahoga County Community Agency Meeting, and the LGBT Center. By design, these events increase RTA’s presence within the Greater Cleveland community and enhance public transit awareness.

Customer Satisfaction/Ride Happy or Ride Free

Ride Happy or Ride Free is the comprehensive customer satisfaction measure for RTA. The Ride Happy or Ride Free card begins by asking the passenger to indicate what they liked about their RTA “ride,” followed by space to communicate if they were dissatisfied. Qualifying passengers received a free ride card to help offset their negative experience.

The Ride Happy or Ride Free performance measure is the ratio of free ride cards requested in comparison to ridership for the same period. One card for every 39,500 customers was received for the first quarter of 2016, as compared to one request for approximately every 19,102 customers received for the same period

in 2015, representing a 106.78% improvement in customer satisfaction, as measured by the percentage of people requesting Ride Happy or Ride Free cards. Team Goal for 2016 in one request for every 30,000 customers served.

Attendance

The Attendance performance measure is the percentage of employee absences from work that are unscheduled and includes absences due to Worker’s Compensation as unscheduled. An absence is considered unscheduled when it is charged to any category other than vacation, personal days, birthdays, holidays, training/seminars, and use of compensatory leave.

Reducing unscheduled absences increases agency reliability, improves productivity and reduces overtime expenses. In the first quarter of 2016, the unscheduled absence percentage was 5.4% which, when compared to 5.8% for 2015, shows a 6.9% improvement in attendance.



TEAM Results through March, 2016

Performance Measure	Target December, 2015	Through September, 2015	Payout
Safety – Preventables	1.4 or below	1.49	\$10.00
Safety – OJI’s	10.0 or fewer injuries per 200,000 hours	7.3	\$10.00
No. of Miles Between Service Interruption	8,000 or above	10,445	\$10.00
On-Time Performance	75% or above	69%	\$10.00
Ridership	To be determined	10,862,562	\$10.00
Ride Happy or Ride Free	1 request for every 30,000 riders	39,500	\$10.00
Attendance	5.0% or below	5.4%	\$40.00
Passenger Fares*	% of operating costs <i>Year-end target</i> To be determined	15.66%	\$100.00* <i>(*One time year-end payout)</i>

DBE Participation/Affirmative Action

The DBE program is administered on a federal fiscal year (FFY) that runs from October 1 – September 30. The Overall DBE Participation Goal on federally assisted contracts of \$25,000 and above for FFY 2016 - 2018 is 21.3%. Per federal regulations, the calculation of Overall DBE participation excludes real estate transactions and the procurement of Transit Vehicle Manufacturers (typically buses and Paratransit vehicles).

The performance period of January 1, 2016 – March, 31, 2016 represents the second quarter of FFY 2016. To conform the Quarterly Performance Report to the Federal Semi-Annual Report, DBE participation is calculated on the “federally assisted” portion of contracts only. DBE dollars awarded during the second quarter totaled \$1,786,301 or 23.1% on total contracts of \$7,708,292. Year-to-date DBE dollar and percent participation on contracts greater than \$100,000 for 2016 FFY totals \$3,713,418 or 29.8% on contracts of \$12,441,810.

QUARTERLY - PARTICIPATION OF DBE FIRMS BY CLASSIFICATION

(October 1, 2015 – March 31, 2016)

Classification	1 st . Quarter		2 nd Quarter	
	Oct. 1 -Dec. 31		Jan. 1 - Mar. 31	
Caucasian Female	\$1,184,997	61.5%	\$1,118,696	62.6%
Hispanic	0	0	\$373,548	20.9%
African American	\$741,850	38.5%	\$279,807	15.7%
Asian	0	0	\$14,250	.8%
TOTAL	\$1,926,847	100.0%	\$1,786,301	100.0%

Current Quarter – DBE Performance by Contract Category

(January 1, 2016 – March 31, 2016)

	Construction	Professional Services	Equipment & Supply	Total
DBE Dollars	\$1,729,301	\$57,000	0	\$1,786,301
All Dollars	\$7,408,292	\$300,000	0	\$7,708,292
% DBE Participation	23.3%	19.0%	0	23.1%

Year-to-Date – DBE Performance by Quarter

(October 1, 2015 – March 31, 2016)

	Total Contracts	DBE Participation	% DBE Participation
1st Qtr.	\$4,733,518	\$1,926,847	40.7%
2nd Qtr.	\$7,708,292	\$1,786,301	23.1%
TOTAL FFY	\$12,441,810	\$3,713,148	29.8%

Office of Business Development Activities

Outlined below are selected efforts undertaken during the fourth quarter of FFY 2016

Selected Certification Activities during the quarter include:

New Certifications:	0
Re-Certifications:	12
On-Site Visits:	7

Selected Contract Compliance Activities during the quarter include:

Completed 12 Goal Settings
 Conducted 2 Field site monitoring reviews
 Reviewed 29 Certified Payrolls

Selected Outreach Efforts during the quarter include:

Attended NAACP Executive Committee meeting
 Attended Urban League Annual Meeting
 Attended State of the City Meeting
 Attended the JumpStart, Meeting
 Attended USDOT 50th Anniversary Celebration
 Participated on UCP Program Update Conference Call
 Attended NTI Sponsored DBE Training Course in Phoenix

Affirmative Action

The Affirmative Action Goals for the employment of women in all categories except for administrative support for the overall three years (2015-2017).

PERFORMANCE MEASURE	2015 -2017 Goals		2015 Total		First Quarter		Second Quarter		Third Quarter		Fourth Quarter		3-Year Total Goals to Date	
	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female	Minority	Female
Affirmative Action:														
Officials/Administrators	N/A	4	N/A	3	N/A	0	N/A		N/A		N/A		N/A	3
Professionals	N/A	28	N/A	22	N/A	4	N/A		N/A		N/A		N/A	26
Technicians	N/A	29	N/A	7	N/A	1	N/A		N/A		N/A		N/A	8
Protective Services	N/A	4	N/A	4	N/A	0	N/A		N/A		N/A		N/A	4
Administrative Support	N/A	N/A	N/A	N/A	N/A	N/A	N/A		N/A		N/A		N/A	N/A
Semi & Skilled Craft	N/A	20	N/A	1	N/A	0	N/A		N/A		N/A		N/A	1
Service Maintenance	N/A	106	N/A	201	N/A	33	N/A		N/A		N/A		N/A	234
Total	N/A	191	N/A	238	N/A	40	N/A		N/A		N/A		N/A	278

Engineering/Construction Program

This section provides information on the status of the Authority’s engineering and construction activities. Projects are reported on by major program categories as follows:

- Bridges
- Track & Signal
- Passenger Facilities
- System Expansions
- Maintenance Facilities

Other categories may be added on occasion depending upon activity in the Authority’s capital program.

PROJECT	DESCRIPTION	STATUS
Bridges		
Rehabilitation of Transit Track Bridge over East Blvd/MLK Design (27S)	Track bridge rehabilitation design Consultant: Euthenics Design Cost: \$165,452	Contract awarded May 20, 2008 and notice to proceed issued July 10, 2008. Euthenics has completed the design and construction documents. Project to be awarded at April 26, 2016 Board.
Rehabilitation of E. 81 & E. 83 St Track Bridges on Shaker Line (27V)	Track bridges rehabilitation design Consultant: TranSystems Design Cost: \$178,954	Board awarded contract on December 20, 2011. Notice to proceed issued January 20, 2012. Contract is at 100% design completion. Project bid and construction contract awarded at the April 21, 2015 Board meeting. Consultant providing construction administration services.
Construction of E. 81 st & E. 83 rd Street Track Bridges on Shaker Line (27V)	Contractor: Schirmer Construction Construction Cost: \$2,237,000	Notice to Proceed issued May 18, 2015. Five of six weekend shutdowns planned for construction have been completed. Project construction is approximately 90% complete.

<p>CSX/E. 92nd Track Bridge Rehabilitation Design (27W)</p>	<p>Design for truss bridge rehabilitation; timbers and track previously replaced Consultant: TranSystems Design Cost: \$275,299</p>	<p>Board awarded contract on October 21, 2014 Inspection of existing conditions completed. Preparation of design report completed. Project to be presented to May 10, 2016 Board for construction award.</p>
<p>Trunk Line Retaining Walls (14.97)</p>	<p>Rehabilitate guard walls along Shaker Blvd. between Buckeye-Woodhill & Shaker Square Consultant: ms consultants Design: \$262,261</p>	<p>Board awarded contract on October 21, 2014. Inspection work completed and design alternatives report issued. Decisions being made on best way to proceed. Presentation made to Shaker Square Historic District in January 2015 and proposed design was approved. Preferred repair alternative will need to be constructed in phases with first phase to bid in third quarter of 2016.</p>
Track & Signal		
<p>Trunk Line Signaling (12D)</p>	<p>Design for Trunk Line (E. 79 to Shaker Sq. Station) Signal System Replacement Estimate: \$8,000,000</p>	<p>Design being completed in-house by GCRTA Engineering Department. Project reviewed by On- Call Rail Consultant. Design suspended pending hire of new Signal Engineer. Vacant position is advertised.</p>
<p>Shaker Junction Reconstruction Design (23V4)</p>	<p>Engineering services for the reconstruction of Shaker Junction and Square Grade Crossings Consultant: TranSystems Design Cost: \$421,979</p>	<p>Received Inspection Findings & Rehabilitation Alternatives Analysis Report on February 12, 2013. Report review meeting held March 19, 2013. Comments returned to TranSystems. Board awarded Phase 1 construction project March 18, 2014. Project construction completed and closed. Phase 2 plans completed. Project closed. This is last report.</p>

<p>Red Line West 117th Station to S. Curve Construction (52H)</p>	<p>Reconstruct Track and Drainage Contractor: Railworks Construction Cost: \$1,159,205</p>	<p>Construction documents completed and bid. Contract awarded at July 28, 2015 Board Meeting and Notice to Proceed issued on August 24, 2015. Construction completed, closeout underway.</p>
<p>Nine Light Rail Grade Crossings Design (23V5)</p>	<p>Engineering services for reconstruction of nine Light Rail grade crossings Consultant: TranSystems Design Cost: \$546,394</p>	<p>Request for proposal issued. Proposals received January 7, 2014. Board awarded project March 18, 2014. Notice to Proceed issued April 4, 2014. Recommendations report received June 2014. Designer is completing 3 construction packages of 3 crossings per package. The first package was bid and awarded at the March 24, 2015 Board Meeting. The second package was bid and awarded at the March 22, 2016 Board Meeting.</p>
<p>Nine Light Rail Grade Crossings Construction (23V5 Phase 1)</p>	<p>Reconstruction of Three of Nine Grade Crossings Contractor: Delta RR Construction Cost: \$3,049,341</p>	<p>NTP issued April 13, 2015. The construction of the South Park crossing on the Green Line was completed in August. The two Waterfront Line crossings were completed in October. Construction completed and closeout underway.</p>
<p>West 65 Substation Replacement (23Z)</p>	<p>Relocate W. 74th Interlocking and install modular substation Consultant: TBD Estimate: \$110,000</p>	<p>RFP to be re-advertised second quarter 2016.</p>
<p>Puritas Substation Replacement Design (60A)</p>	<p>Replace Puritas Substation Consultant: TBD Estimate: \$110,000</p>	<p>RFP to be re-advertised second quarter 2016.</p>

Warrensville/Van Aken Substation	Replace Warrensville/Van Aken Substation	RFP to be re-advertised second quarter 2016.
Replacement	Consultant: TBD	
(16.36)	Estimate: \$110,000	

Passenger Facilities

Rapid Stations

Brookpark Rapid Transit Station Design	A/E services for design of Brookpark Station	Contract awarded June 30, 2009 and Notice to Proceed issued September 30, 2009. Brook Park Planning Commission approved design and project presented to Cleveland’s local design committee. 90% design received on March 20, 2013, including value engineering. Change order for separate parking lot plans approved in 2013. NEPA documentation completed. Awarded contract June 18, 2013 for Phase I of East Parking Lot. Construction completed. Project awarded at the March 24, 2015 Board meeting to Mid-American Construction. A/E assisting with construction administration phase.
(24J(c))	Consultant: Bialosky + Partners	
ARRA	Cost: \$1,318,888	
Brookpark Rapid Transit Station Construction	Reconstruction of the Brookpark Station	NTP issued May 11, 2015. New platform installed. Headhouse framing 90% complete. East parking lot curbs, pavement base and lighting completed. Tunnel shot-creted and water proofed. New precast elevator core and platform installed. Westbound track ties replaced and surfacing completed. Headhouse and new entry building being framed.
(24J(c))	Contractor: Mid-American Construction, LLC	
	Cost: \$11,798,476	

<p>Cedar-University Station Reconstruction Design (24K)</p>	<p>Reconstruction of Red Line rapid station Consultant: URS Design Cost: \$1,645,291</p>	<p>Contract awarded September 21, 2007; Notice to Proceed issued October 15, 2007. Change order processed October 2010. FTA approved environmental documentation December 2010. Tiger II MOU executed by FTA. Bids on December 6, 2011 exceeded the budget. Value engineering completed April 26, 2012. Second bids June 7, 2012; McTech Corporation awarded construction contract June 18, 2012. Completed as-built drawings and LEED certification documentation. Project closed, this is last report.</p>
<p>Cedar-University Station Reconstruction (24K)</p>	<p>Reconstruction of Red Line rapid station Contractor: McTech Corporation Cost: \$15,929,049</p>	<p>Contract awarded June 18, 2012 and Notice to Proceed issued July 10, 2012. Groundbreaking ceremony September 19, 2012. Roadway, utility and sidewalk work completed on new bus station side. Canopy under bridges completed. Bus station structure completed. Ribbon cutting ceremony held on August 28, 2014 and the rail and Bus Stations completed and opened for service. Work on West (South) side of Cedar continues. Contractor missed the final completion date of December 16, 2014 and liquidated damages could be assessed. Work finally completed May 29, 2015. Closeout underway.</p>
<p>Little Italy - University Circle Station Design (24P)</p>	<p>ADA rehabilitation of station and transit track bridge reconstruction Consultant: City Architecture Design Cost: \$1,806,015</p>	<p>Contract awarded July 15, 2008 and Notice to Proceed issued August 22, 2008. Project at 60% design when Norfolk Southern review resulted in decision to go to center platform design. FONSI received from FTA April 4, 2013. Tiger III (\$12.5M) funding obtained and grant agreement executed on May 31, 2013. Property acquisition agreement signed and approved by Board April 16, 2013 and FTA concurrence on May 21, 2013. Consultant providing construction support. Consultant has submitted 100% construction documents for Mayfield Road and sidewalk improvements. Project advertised, bids due second quarter 2016.</p>

<p>Little Italy - University Circle Station</p> <p>Construction (24P)</p>	<p>ADA rehabilitation of station and transit track bridge reconstruction</p> <p>Contractor: McTech Corporation</p> <p>Cost: \$11,555,471</p>	<p>Contract awarded September 17, 2013. Notice to proceed issued October 14, 2013. Held groundbreaking October 22, 2013. Track outage began on June 7, 2014 and ended August 28, 2014 with return to service on August 29, 2014. Station opened on August 11, 2015 and substantial completion reached on August 13, 2015. Contractor working on punch list and warranty items.</p>
<p>E. 120 St. Station Demolition (24P-3)</p>	<p>Demolition of existing station when Little Italy opens</p> <p>Contractor: Purple Orchid</p> <p>Cost Estimate: \$395,904</p>	<p>Construction documents completed and bid awarded at the July 28, 2015 Board meeting. Notice to Proceed issued on August 31, 2015. Demolition completed and contractor working on punchlist.</p>
<p>E. 116 Station Design (24R)</p>	<p>ADA reconstruction of E. 116 Light Rail station</p> <p>Consultant: City Architecture</p> <p>Design Cost: \$537,490</p>	<p>Request for Proposals received January 3, 2014. Board awarded contract to City Architecture March 18, 2014. Notice to Proceed issued April 24, 2014. Design proceeded to 100% and completed City Design Review and Planning Commission review process. Project was bid and bids were over budget. A/E is revising the design and project will be re- advertised second quarter 2016.</p>
<p>Lee/Van Aken Station Rehabilitation Construction (24S)</p>	<p>ADA rehabilitation of Blue Line station</p> <p>Contractor: Schirmer Construction</p> <p>Cost: \$5,906,811</p>	<p>Bids received on March 19, 2014. Contract awarded April 15, 2014 and Notice to Proceed issued May 15, 2014. Station opened on December 22, 2015 Working on punchlist.</p>

<p>Lee-Shaker Station ADA Design (24T)</p>	<p>ADA rehab. of Lee-Shaker Station Consultant: CHA Cost: \$166,719</p>	<p>Make station accessible under the ADA, restore platform and track, and update signage and lighting. Consultant contract approved at January 20, 2015 Board meeting. Design complete, awaiting final approvals prior to bidding.</p>
<p>Warrensville- Shaker and Lee- Shaker Station Environmental Documentation (24T-EA)</p>	<p>Completion of Section 106 Environmental Document Cost: \$46,318 Consultant: Lawhon & Associates</p>	<p>Completion of Section 106 Environmental Documentation required for stations. NTP issued March 13, 2015 to complete by August 2015. Public meeting for Warrensville-Shaker held on July 22, 2015 at Shaker Heights City Hall. Final concurrence received. Lee-Shaker is completed and Public Meeting for Lee-Shaker held on December 17, 2015 at Shaker Heights City Hall. Final concurrence scheduled for May 2016.</p>
<p>Warrensville- Shaker Station Reconstruction (31F) Design (14.50 - Task 4)</p>	<p>ADA rehabilitation of Blue Line station Consultant: HWH Engineering Cost: \$104,232</p>	<p>Design prepared by On-Call Architect/Engineer. Design completed, construction underway.</p>
<p>Tower City Track 7 Platform and Track 8 Replacement (52F)</p>	<p>Design of Track 7 Platform upgrades and replacement of Track 8 Consultant: TranSystems Cost Estimate: \$797,397</p>	<p>NTP issued April 9, 2015. Design completed, construction underway. A/E is providing construction support services.</p>
<p>Track 7 Auxiliary Platform and Station Egress Rehabilitation (52F-BP 1)</p>	<p>Contractor: EnviroCom Constr., Inc. Construction Cost: \$994,000</p>	<p>Board awarded contract on January 26, 2016. Notice to Proceed issued on February 22, 2016. Demolition work and extension of the Light Rail Platform has begun.</p>

<p>Track 8 Reconstruction and Track 7 Rehabilitation (52F-BP 2)</p>	<p>Contractor: Delta Railroad Construction Construction Cost: \$5,174.999</p>	<p>Board awarded contract on January 26, 20216. Notice to Proceed issued on February 2, 2016. Track 7 drainage and track rehabilitation has started.</p>
<p>Tower City Escalator Replacement (54)</p>	<p>Replace Four Tower City Station escalators Contractor: KONE Construction Cost: \$2,870,000</p>	<p>Project bid was awarded at April 21, 2015 Board Meeting. Notice to Proceed issued May 13, 2015. KONE has completed two long escalators. Replacement of two short escalators underway.</p>

Transit Centers

Park-N-Rides

Enhancements

<p>Clifton Blvd. Transit Enhancement Design (51) ARRA</p>	<p>Clifton Blvd. transit enhancement program Consultant: Richard Bowen & Associates Cost: \$953,806</p>	<p>Contract awarded November 17, 2009. Project started January 12, 2010. 100% design received May 13, 2013. Project advertised June 24, 2013 and construction bids received July 24, 2013. Project awarded at August 20, 2013 board meeting. Consultant provided construction support and submitted as-built plans. Project closed, this is last report.</p>
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<p>Clifton Blvd. Transit Enhancement Construction (51)</p>	<p>Clifton Blvd. transit enhancement program Contractor: Perk Co., Inc. Cost: \$9,392,430</p>	<p>Contract awarded August 20, 2013 and Notice to proceed issued September 24, 2013. Bus pads in Lakewood completed. Tree cutting completed. Stations in Lakewood completed and in service. Work completed on roadway, medians, and stations in Cleveland. Substantial completion achieved. Ribbon-cutting held on December 8, 2014. Work on Cleveland traffic signal interconnect and loop detectors as well as station communications completed. Blue-light phones and cameras operational. Project closed, this is last report.</p>
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Planning

<p>Clifton Blvd. Transit Enhancement Public Art (51-PA)</p>	<p>Solicitation for decorative poles and gateway elements Artist: TBD Estimate: \$75,000</p>	<p>Public art call advertised February 14, 2014. Fifteen responses received for evaluation. Committee selected artist but concept was not viable. Artwork was re-solicited with responses received on April 13, 2015. 3rd call for artists was limited to lighting professionals. Have accepted the design concept of the artist, are beginning the contracting phase.</p>
<p>HealthLine/Red Line Extension Analysis (55)</p>	<p>Alternative Analysis for HealthLine/Red Line Corridor Consultant: AECOM Cost: \$1,100,000</p>	<p>Study of a major transportation improvement on HealthLine/Red Line Corridor. Contract awarded March 19, 2013. Notice to Proceed issued April 12, 2013. One preferred build alternative presented to the Board and public in May 2014. Second round of meetings held. Consultant now continuing ridership modeling using NOACA's Regional demand model which was provided in late June. Final round of meetings completed. Awaiting finalization of the final report.</p>

<p>NOACA Five County On-Board Ridership Modeling (58)</p>	<p>Computer modeling work Consultant: Parsons Brinckerhoff Cost: \$248,974</p>	<p>Contract awarded September 18, 2012. Notice to proceed issued November 26, 2012. Consultant is working on the mode choice model. Data received from NOACA's Household Survey contract, which had encountered issues affecting project schedule. The model is now complete. Final documentation is completed. Project in closeout.</p>
<p>LEED Commissioning for Station Projects (13.33)</p>	<p>Review station design drawings and materials for environmental impact to meet LEEDS certification Consultant: Karpinski Engineering Co. Cost: \$54,170</p>	<p>Task orders have been issued for design enhanced commissioning for University-Cedar station \$10,560 and construction commissioning \$10,000. Lee-Van Aken station design fundamental commissioning \$4,360 and construction commissioning \$5,000. Brookpark station design enhanced commissioning \$6,500 has commenced.</p>
<p>Red Line Public Art Project (16.55)</p>	<p>Public art installations along the Red Line Contractor: LAND Studio Various Artists Cost: \$357,263</p>	<p>Public art installations along the redline to beautify the rail right-of-way before the RNC. RTA art will be at Tower City, W 25th, West Blvd., and Airport Tunnel. Additional installations on ODOT property.</p>

Maintenance Facilities

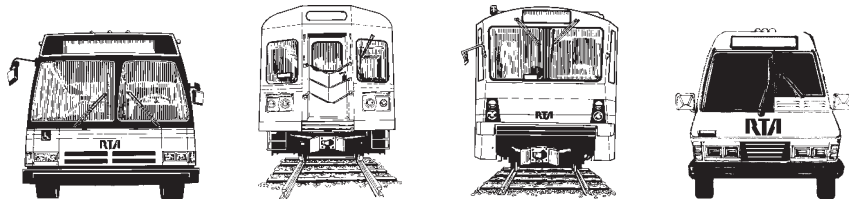
<p>CNG Facility System Hayden Design (61A)</p>	<p>Add CNG Fueling System to Hayden Garage Consultant: Trillium CNG Cost: \$3,380,921</p>	<p>Board awarded contract September 16, 2014. Notice To Proceed issued October 1, 2014. Project underway. Fueling station completed and operational on August 11, 2015. Project closed. This is last report.</p>
<p>Infrastructure Upgrades @ Hayden & CBMF for CNG & Propane (61B)</p>	<p>Upgrade facilities for CNG and Propane fueling at Hayden and CBMF Consultant: Wendel Estimate: \$489,383</p>	<p>Board awarded contract on October 21, 2014. Design completed. Support to Construction of improvements continuing.</p>

<p>CNG Heavy Maintenance Infrastructure Upgrades at Hayden & CBMF (61B-c)</p>	<p>Contractor: EnviroCom Constr., Inc. Construction Cost: \$2,455,000</p>	<p>Board awarded contract on November 17, 2015. Notice to proceed was issued on December 22, 2015. Ductwork demolition has begun at Hayden. New ductwork being installed at both facilities.</p>
<p>CNG Backup Generator at Hayden (61B-d)</p>	<p>Contractor: RWJ Wiring Construction Cost: \$380,000</p>	<p>Board awarded contract on November 17, 2015. Notice to proceed was issued on December 11, 2015. Generator has been ordered for delivery in second quarter 2016.</p>
<p>CNG Tail Pipe Exhaust System Upgrades at Hayden & CBMF (61B-e)</p>	<p>Contractor: North Bay Construction Construction Cost: \$977,000</p>	<p>Board awarded contract on January 26, 2016. Notice to proceed issued on February 23, 2016. Field work has begun and equipment ordered.</p>
<p>Rail Car Shop Wash Track and Transfer Table Track (14.87 and 14.88)</p>	<p>Design Replacement of tracks in the rail car shop Consultant: Transystems Cost: \$118,227</p>	<p>Designs complete and construction contract awarded at May 19, 2015 Board meeting. Construction complete, closeout underway.</p>
<p>Rail Car Shop Wash Track and Transfer Table Track (52G)</p>	<p>Construction of Replacement of tracks in the car shop Contractor: RailWorks Track Services Cost: \$697,184</p>	<p>Contract awarded at May 19, 2015 Board meeting. Notice to Proceed issued on July 13, 2015. Construction complete, closeout underway.</p>

Bus State of Good Repair Grant Projects

Central Bus Maintenance Facility

53B - Task 8 Phase III	Pavement and Walk Repairs Contractor: Perk Company Cost: \$249,973	Final SOGR. Project contract awarded at June 16, 2015 Board meeting. Notice to Proceed issued on August 13, 2015. Construction complete. Project closed, this is last report.
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GREATER CLEVELAND
REGIONAL TRANSIT
AUTHORITY

INTERNAL AUDIT
QUARTERLY REPORT
First Quarter - 2016

May, 2016

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTION	2
2016 AUDIT PLAN	3-4
COMPLETED PROJECTS	5-8
PROJECTS IN PROGRESS	9-12
SPECIAL REQUESTS AND EMERGING ISSUES	13-15
EXTERNAL AUDIT COORDINATION AND FOLLOW-UP	16
STATUS OF OUTSTANDING FOLLOW-UP	17-20
OTHER PROJECTS	21-22
STAFF TRAINING	23
STAFF PROFILES	24

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016

INTRODUCTION

Presented herein and in accordance with Board Policy is the report of the Internal Audit Department activities for the First Quarter 2016. The report outlines work performed, recommendations and management's responses, including specific steps for the implementation of all agreed-upon recommendations and other pertinent data.

The Internal Audit Department is an independent appraisal function established within the Authority to examine and evaluate its activities as a service to the Board of Trustees and management. The objective is to assist management in the effective discharge of their responsibilities. To this end, Internal Audit furnishes management with analyses, appraisals, recommendations, counsel and information concerning the activities reviewed. The audit objective includes promoting effective control at reasonable cost.

The Internal Audit Department will respond to the Board of Trustee requests for audit services in a timely manner. Please contact me at (216) 566-5064 to service your requests.



5/5/16

Anthony A. Garofoli
Executive Director of Internal Audit

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

2016 INTERNAL AUDIT PLAN

Contract Audits

Blanket Purchase Order Contracts
Brookpark Rapid Transit Station Rehabilitation
Cleveland Metropolitan School District - Student Transportation Agreement
Fare Collection Systems
Fiber Optic Network Replacement
Elevator/Escalator Maintenance
Magnetic Fare Media Cards
Marketing/Advertising Consultant
Supplemental Paratransit Services
Tire Lease/Services
Tower City Escalator Replacement
Tower City Track Replacement
U-Pass Programs (CSU, CWRU, CCC)
Vehicle Purchases
Vehicle Warranty Program

Internal Audits

Customer Service Center Operations
Employee Hiring Practices
Employee Separation Process
Facilities Access System
Force Account Reimbursements
Fuel Hedging Program
Paratransit Operations
Payroll
Petty Cash
Purchasing Card Program
Safety System Program Plan
Sub-Recipient Monitoring
Third-Party/Worker's Compensation Claims
Transit Police Compensation Time
Transit Police System Security Plan
Travel Expense Reimbursement
Waterfront-Line Operations

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

2016 INTERNAL AUDIT PLAN

Information Technology Audits

Accrued Leave
Claims System Implementation
Consolidated Train Dispatch System
Health Care Claims
Information Technology Systems Security
Telephone System Replacement

Continuous Auditing Program - *

Absence Control
Accounts Payable
Accounts Receivable
Fuel Expense
Inventory Management
Revenue Collection

External Audits

Ohio Department of Transportation
Federal Transit Administration
State of Ohio – Office of the Auditor
US Department of Homeland Security

Revenue Audits

Fare Enforcement/Proof-of-Payment
Fare System Increase Reprogramming
Manual All Day Pass Program
Lease Revenue
Special Event Collections

Staff Training
Audit Recommendation Follow-up
15% of budgeted hours will be reserved for Special Requests and/or Emerging Issues

**Continuous Auditing is achieved through the use of audit software tools to assure the internal control system is functioning to detect fraud, errors and waste.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

COMPLETED PROJECTS

GCRTA Employee Travel & Expense Account Reimbursements

Purpose:

The Internal Audit Department reviews all employee travel expenses to ensure they are properly approved and are reimbursed in accordance with the Authority's policies and procedures.

Scope:

Internal Audit reviewed all requests for employee travel expense reimbursements for the period January 1, 2016 through March 31, 2016 prior to cash disbursement. The review included tests for allowability, reasonableness and timeliness.

Results:

All requests were reviewed and, if necessary, adjusted to comply with applicable policies and procedures.

Vehicle Purchases

(Board Resolution 2013-110 - Gillig, LLC)

(Board Resolution 2014-111 - Gillig, LLC)

(Board Resolution 2015-048 - Gillig, LLC)

(Board Resolution 2015-060 - Gillig, LLC)

(Board Resolution 2015-096 – Transportation Equipment Sales Corp.)

Purpose:

Contract 2013-100 was authorized to manufacture and deliver up to (240) 40 foot Compressed Natural Gas (CNG) buses, training, tooling and spare parts. The first order was placed with the contractor to deliver (60) buses.

Contract 2013-100 was authorized to manufacture and deliver up to (240) 40 foot Compressed Natural Gas (CNG) buses, training, tooling and spare parts. The second order was placed with the contractor to deliver (30) buses.

Contract 2014-170 was authorized to manufacture and deliver up to (8) 35 foot trolley replica coaches, training, tooling and spare parts.

Contract 2015-048 was authorized to manufacture and deliver up to (4) 35 foot trolley replica coaches, training, tooling and spare parts.

Contract No. 2015-159 was authorized for the purchase and delivery of up to twenty (20) dedicated mobility access vehicles, training, tools and spare parts.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

COMPLETED PROJECTS

The Federal Transit Administration obligates federal funds to the GCRTA for purchasing buses to carry passengers in mass transit service. Recipients of these funds must comply with several federal regulations, one of which is the Pre-Award and Post Delivery Rule.

Scope:

Audit Staff completed the applicable Buy America Review, required by Federal Transit Administration.

Results:

(60) Bus Order: Audit staff completed Post-Delivery Review. This included an on-site review of contractor records, toured the manufacturer's final assembly plant, inspected the vehicles and reviewed GCRTA records. Both the contractor and GCRTA management complied with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service.

(30) Bus Order: Audit staff completed Post-Delivery Review. This included an on-site review of contractor records, toured the manufacturer's final assembly plant, inspected the vehicles and reviewed GCRTA records. Both the contractor and GCRTA management complied with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service.

(12) Trolley Bus Order(s): Audit staff completed Post-Delivery Review. This included an on-site review of (2) contractor records, toured both manufacturers' final assembly plants, inspected the vehicles and reviewed GCRTA records. Both the contractors and GCRTA management complied with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service.

(20) Mobile Access Vehicle Order: Audit staff completed Post-Delivery Review. Both the contractor and GCRTA management complied with federal regulations. These vehicles were built prior to the contract. Audit staff obtained supporting evidence to support compliance with federal regulations. Considering this result, GCRTA management transferred title and can place the vehicles in revenue service.

Rail Car Electric Motor Repair

(Board Resolution 2014-007 – Sherwood Electromotion Incorporated)

(Board Resolution 2014-008 – RAM Industrial Services, LLC)

Purpose:

Contracts 2013-185A and 2013-185B were authorized for the rebuilding of rapid transit electrical motors.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

COMPLETED PROJECTS

Scope:

Audit Staff will evaluate compliance with the respective contract terms and conditions.

Results:

Audit staff identified contract non-compliance and management control deficiencies. Audit staff traveled with management to the contractor's shop to re-establish quality assurance and contract compliance. Management established business objectives to maintain an inventory of spare motors for the aging rail fleets.

Internal Audit will complete a follow-up review to evaluate implementation of audit recommendations.

Railcar Movements and Repair

Purpose:

The Federal Transit Administration created a state-managed oversight program to improve rail transit safety and security. The Ohio Department of Transportation administers the program.

The Internal Audit Department and the Safety Department conduct a program of annual audits of the Authority's System and Security Plans to evaluate operational compliance as well as to measure the effectiveness of the respective programs.

Scope:

Internal Audit developed a plan to evaluate:

- Control Center directed train movements
- Pre & Post Trip railcar inspections
- Defect Reporting
- Yard Control
- Vehicle Maintenance
- Inventory Management

Results:

Audit staff completed a series of process audits. We conducted several workshops with front-line employees. We issued 23 recommendations to 4 operating departments to improve the efficiency and effectiveness of operations.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

COMPLETED PROJECTS

Management accepted the recommendations. We will complete a follow-up review to ensure recommendations are implemented.

Central Bus Maintenance Facility – ISO 14001 Certification

Purpose:

The ISO 14001 standard represents a core set of standards used by organizations for designing and implementing an effective Environmental Management System (EMS).

Management is engaged in an effort to seek certification for the Central Bus Maintenance Facility. This includes documented sustainable and environmental processes for the use and/or disposal of certain elements such as rags, scrap metals, waste oil and other elements.

The standards include an internal audit component to evaluate compliance.

Scope:

Audit staff will develop an audit program to evaluate compliance with established processes. We will support the certification oversight and management teams to attain the objective.

Results:

Management achieved certification.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

PROJECTS IN PROGRESS

Health Care Benefits - Claims Audit

(Board Resolution – 2010-081 - Medical Mutual of Ohio)

(Board Resolution – 2011-094 - Caremark PCS Health, LLC (Caremark))

(Board Resolution – 2010-083 - MetLife Securities, Inc.)

Purpose:

GCRTA employee health care benefits expense totals approximately \$20,000,000 annually. The Board of Trustees authorized:

Contract No. 2010-72A with Medical Mutual of Ohio to provide medical plan insurance coverage;

Contract No. 2011-108 with Caremark PCS Health, LLC (Caremark) to provide a managed prescription drugs benefit program; and

Contract No. 2010-72C with MetLife Securities, Inc. to provide dental insurance coverage

Scope:

Internal Audit will perform a healthcare claims audit to evaluate third-party administrator compliance with respective plan designs and contract terms and conditions for the period January 1, 2012 through December 31, 2014.

Update:

Field work is complete for the period January 1, 2012 through December 31, 2013. The audit identified several issues to discuss with the respective third-party administrators. We engaged an audit consultant to co-source this work.

Contract provisions require us to complete the 2-year audit before we can analyze the 2014 calendar year claims.

Information Technology Security

Purpose:

Management relies on data from a variety of business and intelligent transportation systems. Audit staff will evaluate controls over user access to GCRTA mission critical systems.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

PROJECTS IN PROGRESS

Scope:

The scope of the audit is to evaluate whether user access to GCRTA's network, applications and data is adequately controlled, including the process for granting, maintaining and removing such access. We will also evaluate administrator rights, password management and policy awareness.

Vehicle Purchases

(Board Resolution 2015-048 - Gillig, LLC)

Purpose:

Contract 2014-170 was authorized to manufacture and deliver up to (8) 35 foot trolley replica coaches, training, tooling and spare parts.

Contract 2015-048 was authorized to manufacture and deliver up to (4) 35 foot trolley replica coaches, training, tooling and spare parts.

The Federal Transit Administration obligates federal funds to the GCRTA for purchasing buses to carry passengers in mass transit service. Recipients of these funds must comply with several federal regulations, one of which is the Pre-Award and Post Delivery Rule.

Scope:

Audit Staff will complete the applicable Buy America Review, required by Federal Transit Administration

**GCRTA – Cleveland State University Student Universal Access Fare Program
(U-Pass Program)**

(Board Resolution 2004-001)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. Each full time student pays a flat fee per semester and is able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

PROJECTS IN PROGRESS

GCRTA – Case Western Reserve University Student Universal Access Fare Program (U-Pass Program)

(Board Resolution 2008-127)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. Each full time student pays a flat fee per semester and is able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

GCRTA – Cuyahoga Community College Student Universal Access Fare Program (U-Pass Program)

(Board Resolution 2015-62)

Purpose:

The GCRTA entered into an agreement to provide prepaid and universal access to public transportation services. GCRTA and CCC agreed upon a semester rate, with an escalation clause through 2021. Students are able to ride GCRTA services on an unlimited basis during the semester.

Scope:

Internal Audit will evaluate compliance with the agreement.

Continuous Auditing

Purpose:

Continuous Auditing defines the technologies and processes that allow an on-going review and analysis of business information on a real time basis. Internal Audit will monitor specific information electronically and incorporate the use of intelligent agents, computer modeling and other software tools. Continuous auditing will give end users of information more timely assurance that information is correct and may eventually lead to continuous reporting where business information is updated and published as events occur.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

PROJECTS IN PROGRESS

Scope:

The General Manager identified and monitors “Key Performance Indicators.” These include Revenue and Absence Control. Internal Audit will assist management to develop continuous “monitoring” queries to provide management “real time” information to meet organizational goals. Internal Audit will develop continuous “auditing” queries to test for compliance and control risk.

Manual All-Day Passes

Purpose:

Each month, Operators are issued one book with 25 Manual All-Day passes. These passes will be issued to passengers when a farebox is capable of collecting cash fares, but the “Trim unit” is malfunctioning and will not print/issue an All-Day pass.

Scope:

Internal Audit is evaluating risks and internal controls for the handling of Manual All Day Passes

Third-Party Contracts – Risk Assessment

Purpose:

Internal Audit will develop risk factors to evaluate third-party contact management.

Scope:

All active contracts and purchase orders.

Workers’ Compensation/Third-Party Claims - Process Review

Purpose:

The Legal Division contracted with an insurance company to evaluate internal controls and processes to manage workers’ compensation and third-party claims.

Scope:

- Effective use of the computerized risk management computer system
- Tests of risk factors identified through an assessment of various processes

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

SPECIAL REQUESTS AND EMERGING ISSUES

Paratransit Operations

Purpose:

The Paratransit District Director requested a special audit of Paratransit operations.

Scope:

Internal Audit is evaluating the Paratransit Dispatch Office operations. These activities include:

- Timekeeping
- Scheduling
- Operator Supervision

Update:

Between February 10, 2015 and March 22, 2015, Internal Audit and Transit Police conducted a joint investigation, including interviews of management, dispatchers, operators and schedulers (17 employees). We summarized our findings to meet with GCRTA management, including GCRTA Legal.

Internal Audit reviewed internal controls to identify root cause and provide management recommendations. These recommendations were implemented immediately.

The matter was referred to the County Prosecutor's Office in March 2015. The County Prosecutor referred the matter to the United States Attorney's Office – Department of Justice. GCRTA Internal Audit supported the investigation conducted by the Federal Bureau of Investigation and United States Department of Transportation – Office of the Inspector General. We were informed to suspend our internal investigation. The matter was referred back to the County Prosecutor in August 2015. On January 28, 2016, (2) former GCRTA employees and (1) active employee were indicted by a Grand Jury and various charges of fraud, theft in office and theft.

Audit staff continues to monitor internal controls to provide assurance to management. We will resume the internal investigation as soon as Prosecutor removes the suspension.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

SPECIAL REQUESTS AND EMERGING ISSUES

Management Incident

Purpose:

The Deputy General Manager of Human Resources and Deputy General Manager of Legal Affairs requested an investigation of a management incident between two employees.

Scope:

Audit staff reviewed closed circuit camera video, interviewed employees and related data.

Results:

Management coached and developed performance plans for employees based on the results of the report.

Employee Vacation Account Balances

Purpose:

The Human Resources Information System Manager requested a special audit to review employee vacation accounts. She identified unreconciled differences between the payroll system balances and the time & attendance capturing system balances.

Scope:

Internal Audit will evaluate the employee accounts, system control risks and root causes to determine the scope for audit. Staff will re-calculate account balances and recommend adjustments for management consideration.

Third-Party Contract – Check Printer

Purpose:

A contractor, responsible to print and deliver new checks, delivered an order to a non-GCRTA address. Fraudsters found, altered and cashed some of the checks at various check cashing agencies. The GCRTA's bank third-party controls identified the fraud and informed GCRTA management. Per the controls, the bank did not cash the checks presented by the check cashing agencies.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

SPECIAL REQUESTS AND EMERGING ISSUES

Scope:

Support Transit Police during the investigation and recovery of missing checks.

Update:

This is an on-going investigation.

GCRTA management implemented new controls to mitigate risk.

Railcar Cleaning

Purpose:

The Deputy General Manager of Operations requested a special audit of employee allegations and processes for cleaning railcars.

Scope:

Audit staff will interview employees, review management records, complete a walkthrough of cleaning processes and resources.

Tower City Customer Service Center Operations

Purpose:

The Transit Police Chief requested audit services to evaluate internal controls and processes at the Tower City Customer Service Center.

Scope:

Audit staff will interview employees, review management controls and support the Transit Police as requested.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

EXTERNAL AUDIT COORDINATION AND FOLLOW-UP
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The International Standards for the Professional Practice of Internal Audit provides:

- 2050 – *Coordination:*
 - *“The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.*

The following Federal and State Agencies performed audits and reviews of the Authority’s policies and records during the First Quarter 2016:

- State of Ohio – Office of the Auditor
 - The State of Ohio – Office of the Auditor is conducting the 2015 Financial/Single Audit.
- State of Ohio – Ohio Department of Transportation (ODOT)
 - ODOT selected a consultant, Battelle Inc., to act as the Program Manager for Rail Safety and Security Audits.
 - Internal Audit will work with GCRTA Safety to perform the audits as required by ODOT.
 - The Consultant meets with GCRTA Management on a quarterly basis to review and follow-up on outstanding corrective action.
 - The Federal Transit Administration will conduct a Triennial Review of the State Safety Oversight Program during the Second Quarter 2016.
- Federal Transit Administration (FTA)
 - The FTA will conduct a Triennial Review during the Third Quarter 2016. Management and Internal Audit provided preliminary information as requested by the review team.
 - The Triennial Review is one of the Federal Transit Administration's (FTA) management tools for examining grantee performance and adherence to current FTA requirements and policies. Mandated by Congress in 1982, the Triennial Review occurs once every three years. It examines how recipients of Urbanized Area Formula Program funds meet statutory and administrative requirements. The review currently examines 17 areas. In addition to helping evaluate grantees, the review gives FTA an opportunity to provide technical assistance on FTA requirements and aids FTA in reporting to the Secretary, Congress, other oversight agencies and the transit community on the Urbanized Area Formula Program

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STATUS OF OUTSTANDING FOLLOW-UP
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The International Standards for the Professional Practice of Internal Audit provides:

- 2500 – Monitoring Progress
 - “The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.”
 - “The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”

(See the Recommendation Implementation Tracking Report on the next 3 pages)

The report is generated from the GCRTA Internal Audit Department audit management system (TeamMate). All outstanding issues and recommendations from internal and external audits and reviews are tracked within the application module (TeamCentral).

Audit staff is directed to follow-up with management to evaluate actions have been effectively implemented.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STATUS OF OUTSTANDING FOLLOW-UP

Recommendation Implementation Tracking

Recommendation	State	Project Code	Issue	Issue Type	Priority	Estimated Date	Revised Date	Actual Date	Owner	Entity
<u>Documentation Standards</u>	Started	2013 - IA - 13 - Rail District Maintenance Program	Missing Maintenance Management System Supporting Documentation	Reportable Condition		8/31/2014	5/31/2016		Fedikovich, John	Rail District Maintenance Program
<u>Unrecorded Parts Inventory Issuance</u>	Started	2014 - SP - 07 - May 26, 2014 Railcar Derailment - Investigation	Unrecorded Parts Inventory Issuance	Reportable Condition	High Priority	12/31/2014	12/31/2016		Coleman, Teresa	Rail District
<u>Covert Alarm Standard Operating Procedure</u>	Started	2015 - CA - 13 - Gillig CNG Bus Purchase	Covert Alarm Standard Operating Procedure	Reportable Condition	High Priority	10/30/2015	6/30/2016		Lively, Michael	
<u>Audio Quality of Transit Police Dispatch</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Audio Quality of Transit Police Dispatch	Management Letter	Medium Priority	11/30/2015	5/18/2016		O'Neil, Sean	Transit Police
<u>TP Patrol/Supervisor Car Inventory/Monitoring</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Standard equipment for all TP vehicles	Management Letter	High Priority	12/31/2015	5/13/2016		O'Neil, Sean	Transit Police
<u>Reevaluate Change Card configurations</u>	Started	2015 - RA - 03 - Farebox Change Cards	Change Cards have embedded transfers	Reportable Condition	Medium Priority	12/31/2015	6/30/2016		Lively, Michael	Revenue
<u>Judgmental Training Simulator Plan</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Judgmental Training Simulator Plan	Management Letter	Medium Priority	12/31/2015	5/1/2016		Gettings, Michael	Transit Police
<u>Tablet installation</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	Standard equipment for all TP vehicles	Management Letter	High Priority	12/31/2015	5/13/2016		O'Neil, Sean	Transit Police
<u>Train Control Center Rail Supervisor</u>	Started	2015 - IA - 18 - Rail Yard Operations	No Railyard Training	Reportable Condition	High Priority	1/29/2016	6/30/2016		Meroer, Robert	Service Quality
<u>General Police Orders Update</u>	Started	2015 - SP - 06 - Transit Police - 07/26/15 Incident Handling - Special Investigation	General Police Orders Update	Reportable Condition	Medium Priority	1/31/2016	6/4/2016		O'Neil, Sean	Transit Police
<u>Upgrade the Fare Collection System</u>	Pending	2015 - RA - 03 - Farebox Change Cards	GFI software outdated	Reportable Condition	Medium Priority	1/31/2016	6/30/2016		Lively, Michael	
<u>Fare Collection Data/Systems Manager</u>	Started	2015 - RA - 03 - Farebox Change Cards	Fare Collection Data/Systems Manager	Reportable Condition	Medium Priority	2/29/2016	6/30/2016		Lively, Michael	
<u>Employee Background Checks - Customer Service Center</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Employee Background Check Customer Service Center	Compliance	High Priority	4/29/2016			Fields, George	Customer Service Center
<u>Customer Service Center - Over/Under Fund</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Customer Service Center Representatives (Tellers) Daily Reconciliation	Reportable Condition		4/29/2016			Perez, Hilda	Customer Service Center
<u>Credit Card Cash Advances</u>	Started	2016 - SP - 04 - Tower City Customer Service Center Investigation	Credit Card Machine Use	Reportable Condition		4/29/2016			Perez, Hilda	Customer Service Center

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STATUS OF OUTSTANDING FOLLOW-UP

<u>Revise Railcar Pre-Trip Inspection Form - Rail District Transportation Management</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Revise Railcar Pre-Trip Inspection Form - Rail District Transportation Management	Reportable Condition	Medium Priority	5/13/2016	Rehfluss, Dennis	Rail District
<u>Cash Deposit and Re-Order Process</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Cash Deposit and Re-Order Process	Reportable Condition	High Priority	5/13/2016	Perez, Hilda	Customer Service Center
<u>Update GCRTA Train Control SOP for Yard Control Responsibilities</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Lack of Yard Personnel Supervision Criteria within CCS Train Control SOP	Material Weakness	Medium Priority	5/31/2016	Meroer, Robert	Service Quality
<u>Finalize Electric Motor Overhaul Plan and Execute Tasks</u>	Started	2015 - CA - 03 - Railcar Electric Motor Repair	Electric Motor Shortfall vs Forecasted Demand	Material Weakness	High Priority	5/31/2016	Blaze, Casey	Rail District
<u>Evaluate CCTV System</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Camera Bandwidth	Reportable Condition	Medium Priority	5/31/2016	Orlando, Chns	Service Quality
<u>Akron Metro Fare Media Sales</u>	Started	2016 - SP - 04 - Tower City Customer Service Center Investigation	Akron Metro Fare Media Sales	Reportable Condition	Medium Priority	5/31/2016	Bitto, Steve	Customer Service Center
<u>Develop Qualifications for Yardpersons</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Missing Yardperson Test Results	Reportable Condition	Medium Priority	5/31/2016	Rehfluss, Dennis	Rail District
<u>Develop a Job Description for the Rail District Yardperson Position</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Job Description	Reportable Condition	Medium Priority	5/31/2016	Meroer, Robert	Rail District
<u>Assign a Control Center Supervisor to Yard Control during Peak Service</u>	Started	2015 - IA - 18 - Rail Yard Operations	Control Center Supervisor - Yard Control	Reportable Condition	High Priority	5/31/2016	Meroer, Robert	Service Quality
<u>Procure Headphones</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Control Center Noise	Reportable Condition	Medium Priority	5/31/2016	Newell, Richard	Service Quality
<u>Define Pre-Trip Inspection Roles and Responsibilities</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Conflicting Responsibility for Pre-Inspection Duties	Reportable Condition	Medium Priority	5/31/2016	Carlton, Cynthia	Rail District
<u>Rail Equipment Vehicle Maintainer Shift Schedule</u>	Started	2016 - SP - 01 - Railcar Cleaning	Rail Equipment Vehicle Maintainer Shift Schedule	Reportable Condition	Medium Priority	5/31/2016	Blaze, Casey	Rail District
<u>Cleaning Railcars</u>	Started	2016 - SP - 01 - Railcar Cleaning	Maintenance Requirements for Cleaning Railcars	Reportable Condition	High Priority	5/31/2016	Blaze, Casey	Rail District
<u>Update Railcar Defect Card</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Defect Card Design	Reportable Condition	Medium Priority	5/31/2016	Rehfluss, Dennis	Rail District
<u>Lost and Found Internal Controls</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Lost and Found Internal Controls	Reportable Condition	High Priority	5/31/2016	Perez, Hilda	Customer Service Center
<u>Establish Dedicated Rail Yard Radio Communication Channel</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Yard Radio Communication	Reportable Condition	High Priority	5/31/2016	Newell, Richard	Service Quality
<u>Re-assign a Service Quality Supervisor to E 55th Yard and Station during Peak Service</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Limited Rail Yard Control Supervision	Reportable Condition	High Priority	5/31/2016	Meroer, Robert	Service Quality

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STATUS OF OUTSTANDING FOLLOW-UP

<u>Lack of Railcar Cleaning Supplies and Tools</u>	Pending	2016 - SP - 01 - Railcar Cleaning	Lack of Railcar Cleaning Supplies and Tools	Reportable Condition	High Priority	5/31/2016	Blaze, Casey	Rail District
<u>Thoroughly Evaluate Candidates</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Operator Recruitment Rail Car	Reportable Condition	High Priority	5/31/2016	Fields, George	Rail District
<u>Rail Car Movements - Communication/Supervisory Controls</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Movements - Communication/Supervisory Controls	Reportable Condition	Medium Priority	6/30/2016	Meroer, Robert	Service Quality
<u>Standards for Capturing and Reporting Mechanical and Facility Corrective Maintenance</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Defect Reporting - Control Center	Material Weakness	High Priority	6/30/2016	Newell, Richard	Service Quality
<u>Use of Yardpersons to Operate Railcars in Revenue Service</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Use of Yardpersons to Operate Railcars in Revenue Service	Material Weakness	High Priority	6/30/2016	Ferraro, Scott	Rail District
<u>Point of Sale System - Cash Register</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Point of Sale System - Cash Register	Material Weakness	High Priority	6/30/2016	Perez, Hilda	Customer Service Center
<u>Revise Training for Control Center Supervisors</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Test Failures	Reportable Condition	Medium Priority	6/30/2016	Strack, Sandra	Service Quality
<u>Evaluate and Revise Standard Process for Defect Reporting</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Defect Reporting - Rail Cars	Reportable Condition	Medium Priority	6/30/2016	Rehfuss, Dennis	Rail District
<u>Comply with System Design for Work Requests</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Creating Work Orders from Work Requests	Material Weakness		6/30/2016	York, Mike	Service Quality
<u>Create Control Center SOPs for Rail Yard Control</u>	Pending	2015 - IA - 18 - Rail Yard Operations	Rail Yard Control	Reportable Condition	High Priority	6/30/2016	Meroer, Robert	Service Quality
<u>Customer Service Center Facility and Equipment</u>	Pending	2016 - SP - 04 - Tower City Customer Service Center Investigation	Customer Service Center Facility and Equipment	Reportable Condition	High Priority	8/31/2016	Bitto, Steve	Customer Service Center
<u>Railcar Key Installation</u>	Started	2015 - IA - 18 - Rail Yard Operations	Railcar Key Installation	Reportable Condition	Medium Priority	11/30/2016	Blaze, Casey	Rail District

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

OTHER PROJECTS

Fraud Hotline

The GCRTA Fraud Hotline (216) 781-4080 is established to reduce and recover the loss of public funds from any acts of fraud, waste and/or abuse. GCRTA contracts include contact information and require contractors to call whenever they suspect an illegal act or an ethics violation. The Hotline is available to our employees and the public. Audit Staff will work closely with Management, Transit Police as well as law enforcement agencies, prosecutors, professional associations and the public to ensure GCRTA assets are safeguarded.

Information Technology Steering Committee

The Chief Information Officer chairs this committee. The purpose of this committee is to oversee, analyze and prioritize the overall technology needs of the Authority.

Change Order Review Committee

The General Manager/CEO created this committee to review potential contract change orders greater than (50) thousand dollars to validate the appropriateness of the request and to ensure appropriate Procurement and Project Management processes are adhered to. Internal Audit serves as a resource to the committee.

First Quarter 2016 Change Order:

Board Resolution (2016-008)

Authorizing an increase to Contract No. 2009-029 with Bialosky + Partners Architects, LLC for Project 24-J(C) - A/E Services for the Brook Park Rapid Transit Station in the amount of \$6,349.95, for a total contract amount of \$1,325,237.96

System Security Program Planning Committee

The Deputy General Manager of Operations created this committee. The purpose of this committee is to oversee, analyze, and prioritize the overall system security needs of the Authority. The Transit Police provide the agenda for the quarterly meetings.

TransitStat

The Executive Director of the Office of Management & Budget created this Program. The purpose of this Program is to provide management feedback and the resources to self-assess. The program is designed to improve the efficiency and effectiveness of management. Internal Audit serves as a panel member and a resource to management.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

OTHER PROJECTS

Operator Bid Dispatch/Time & Attendance System Steering Committee

The Deputy General Manager of Operations created this Steering Committee. The purpose of the Steering Committee is to participate in the planning and oversight for the Operator Bid Dispatch/Time & Attendance replacement system.

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STAFF TRAINING

The following training was provided to Audit Staff during the First Quarter 2016:

Northeast Ohio Internal Audit Local Chapter

- Current Challenges and Opportunities in Key Audit and Compliance Processes
- Webinar - Training - CEO of IIA 2016 Outlook
- Getting to Know the Proposed Changes to the Standards
- Members Only Webinar - Filling the Void: Addressing Today's Skills Gaps in Internal Audit
- Federal Reserve Bank of Cleveland – Scrum for Audit
- Embrace your inner CEO – Strategic Planning
- Real Estate Construction Audits
- IT Hot Spots – Building Your Audit Approach to Information Technology
- A Practical Approach to Data Analytics

Northeast Ohio Association of Certified Fraud Examiners Local Chapter

- Using Digital Forensics to Identify & Investigate Fraud
- Financial Crime Investigation
- Best Practices for Internal Investigations in 2016
- The Architecture of Fraud: Spiritual & Psychological Dimensions
- Red Flags of Fraud

Northeast Ohio Information Systems Audit and Control Association Local Chapter

- Cyber-Security

**GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
INTERNAL AUDIT DEPARTMENT QUARTERLY REPORT
JANUARY 1, 2016 THROUGH MARCH 31, 2016**

STAFF PROFILES

Anthony A. Garofoli
Executive Director of
Internal Audit

Anthony joined the GCRTA on September 23, 1996. He earned his BBA in Accounting from Cleveland State University. Prior to joining the GCRTA, he worked 16 years in progressively responsible positions for the Office of the Auditor of the State of Ohio. His audit experience includes Financial Audits of State and Local Governmental Units, Fraud and Contract Compliance Audits. He has earned several certifications.

Senior Auditor

Vacant

Bonson Yee
Information Technology
Auditor

Bonson joined the GCRTA on September 6, 2005. He earned his BBA in Accounting from Cleveland State University. Bonson is a Certified Information Systems Auditor.

Edward Gaio
Staff Auditor

Ed joined the GCRTA on February 21, 2006. He earned his BA in Criminal Justice and a BBA in Finance from Kent State University. Edward is a Certified Fraud Examiner.

Anthony Ghanem
Staff Auditor

Anthony joined the GCRTA on June 4, 2012. He earned his BA in Economics and International Studies from Case Western Reserve University and his Master's Degree in Public Administration from Cleveland State University. He is a graduate of the GCRTA Management Development Program.

Maria Shurik
Staff Auditor

Maria joined the GCRTA on June 1, 2014. She earned a BA in Urban Studies and her Master's Degree in Public Administration from Cleveland State University. She is a graduate of the GCRTA Management Development Program.

Neletre Burts-Tolbert
Secretary

Nell joined the GCRTA in 1990. In addition to her clerical and administrative responsibilities, she assists the Executive Director and Audit staff with a variety of specialized audit support services.