GCRTA Today

Greater Cleveland Regional Transit Authority

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Cuyahoga County, Ohio

RTA

Mary Taylor, CPA
Auditor of State

Board of Trustees
Greater Cleveland Regional Transit Authority
1240 West 6th Street
Cleveland, Ohio 44113-1331

We have reviewed the *Independent Auditors' Report* of the Greater Cleveland Regional Transit Authority, Cuyahoga County, prepared by Ciuni & Panichi, Inc., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 30, 2010

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Comprehensive
Annual Financial Report
For the Year Ended December 31, 2009

Greater Cleveland
Regional Transit Authority
Cuyahoga County, Ohio

George F. Dixon, III
President
Board of Trustees

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

Prepared By:
Division of Finance and Administration
General Accounting

2009
INTRODUCTORY SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Greater Cleveland Regional Transit Authority Ohio

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Greater Cleveland Regional Transit Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the twentieth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

RTA

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Regional Transit Authority
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June 18, 2010

George F. Dixon, III, President,
and Members, Board of Trustees
Greater Cleveland Regional Transit Authority
and Residents of Cuyahoga County, Ohio:

It is a pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) of the Greater Cleveland Regional Transit Authority ("GCRTA" or "Authority") for the year ended December 31, 2009. This is the twenty-second such report issued by GCRTA. It has become the standard format used in presenting the results of the GCRTA's operations, financial position, cash flows and related statistical information.

This report enables the Authority to comply with State law that requires entities reporting on a GAAP (Generally Accepted Accounting Principles) basis to file unaudited basic financial statements with the Auditor of State within 150 days of fiscal year end. This report is submitted to satisfy that requirement for the fiscal year ended December 31, 2009.

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

Ciuni and Panichi, Inc, Independent Auditors, have issued an unqualified ("clean") opinion on the GCRTA's financial statements for the year ended December 31, 2009. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

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

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

PROFILE OF GOVERNMENT AND REPORTING ENTITY

The Greater Cleveland Regional Transit Authority is an independent political subdivision of the State of Ohio. It was created in December 1974 by ordinance of the City of Cleveland, Ohio, and by resolution of the Board of County Commissioners of Cuyahoga County, Ohio. Operations at GCRTA began in September 1975. The GCRTA provides virtually all-mass transportation within the County. The North Olmsted and Maple Heights transit systems merged with GCRTA in March 2005 to form a single transit system that will meet the needs of the public in Cuyahoga County. It is a multimodal system delivering bus, paratransit, heavy rail and light rail services.

A ten-member Board of Trustees (Board) establishes policy and sets direction for the management of the GCRTA. Four of the members are appointed by the Mayor of Cleveland with the consent of City Council; three members, one of whom must reside in the City of Cleveland, are appointed by the County Commissioners; the remaining three members are elected by suburban mayors, city managers, and township trustees. Board members serve overlapping three-year terms. Under the provisions of General Accounting Standards Board ("GASB") Statement No. 14, the GCRTA is considered to be a jointly governed organization.

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

The GCRTA had 2,374 employees as of December 31, 2009. The system delivered 17.1 million revenue miles of bus service and 2.6 million revenue miles on its heavy and light rail systems. The service fleet was composed of 506 motor bus coaches, 60 heavy rail cars, 48 light rail cars, and 129 demand responsive vehicles.

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

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

ECONOMIC CONDITION AND OUTLOOK

The GCRTA's service area is contiguous with the boundaries of Cuyahoga County, Ohio. The County includes the City of Cleveland, two townships, and fifty-six other jurisdictions. This is the largest metropolitan area in Ohio and one of the largest counties in the United States. The population of this area is approximately 1.3 million people.

Historically, the foundation for Greater Cleveland's economic vitality has been heavy industry with the largest employment sector being manufacturing. Since 2000, manufacturing employment has dropped significantly from 16.0% of the total workforce to 9.6%, while wholesale and retail trade has significantly decreased from 23.6% since 2000 to 14.1% in 2009. The professional and related services sector work force has steadily grown from 32.9% of the total workforce since 2000 to the present rate of 46.4%, of the workforce. Our local economy continues to take a big hit, resulting in more of our workforce being unemployed. The County's 2009 unemployment was 9.0%, compared to the national rate of 10.0%**.**

During 2009, the County Auditor completed the required reappraisal valuation of all commercial, industrial, and residential real property. This is the most recent valuation available. This process is the foundation for property taxation, and it sets the debt limitation for GCRTA. This appraisal valuation is currently at $31.5 billion**.**

CURRENT YEAR REVIEW

In 2009, GCRTA experienced the worst recession in decades, high unemployment, and a substantial drop in funding. In response, GCRTA initiated a number of maneuvers to better its position by cutting overhead and indirect expenses, but in the end, was force to reduce salaries, eliminate positions, raise fares, and cut valued transit services to its customers. Nearly every segment of our society from coast to coast, especially municipalities and transit agencies that rely on revenues generated from sales taxes, payroll taxes and property taxes were effected. For the first time in seven years, there was less demand for GCRTA services when work related trips, which historically represented over 60% of all GCRTA destinations, were impacted as unemployment increased.

In addition, GCRTA’s revenues dropped over $25 million in 2009 from reductions in sales tax receipts, passenger fares, and on-going reductions in funding from the State of Ohio. Unfortunately, it is not predicted that any turnaround in the economy will dramatically change this new financial reality for several years.

On a positive note, the American Resource and Recovery Act (ARRA), designed to stimulate our economy and create jobs, provided a needed boost to GCRTA’s capital program. With the vast majority of the funding designated for “bricks and mortar” projects, GCRTA was able to move ahead with the groundbreaking of several important construction projects such as the Stephanie Tubbs Jones Transit Center, the Puritas and E. 55th Street Rd Line Rail Stations, the design of the Brookpark Red Line Station, and the Clifton Blvd. Transit Enhancement Project. An amendment to this act later allowed GCRTA to use a portion of the funding to preserve 57 bus operator positions to the joy of our employees and the customers they serve.

Throughout 2009, GCRTA once again proved it is an industry leader though programs to enhance the safety and quality of its public transit service with ways to reduce the cost of service delivery. With new ways to buy fuel on the futures market and to better package our electrical usage, nearly $10 million dollars will be saved in 2010 in fuel and utilities purchases alone. In the area of safety, GCRTA exceeded its goal in both reducing vehicle preventable accidents to an impressive rate of .93 for each 100,000 miles of service. With enhanced customer service procedures and a new relationship with Google Transit, GCRTA handled more phone calls and handled more electronic requests for customer information than any time in history.

In its continued efforts to reduce costs, GCRTA entered into an innovative arrangement with NAPA Auto Parts to outsource a portion of its inventory management program to reduce both parts costs and inventory commitments.

GCRTA's Commuter Advantage Program grew to new heights and now has over 500 participating companies representing over 11,000 employees, who can purchase their transit passes at a pre-tax discount and are now eligible for several very valuable GCRTA services like the Guaranteed Ride Home Program.

GCRTA was once again recognized for its diversity and diversity practices in 2009 by being honored by the Commission of Economic Inclusion for its Board, senior management and workforce minority representation, and for its contracting for supplies and services with minority organizations.

GCRTA has made sustainability a high priority. At the transit authority's main office, everything that can be recycled is, from paper, batteries, and plastic. There are also friendly reminders to turn lights off when you leave and recycled paper centerpieces encouraging employees to think sustainability at work. Now, thanks to a $2.26 million grant from the Federal Transit Administration, GCRTA will be able to retrofit its major facilities to be more energy efficient. GCRTA was one of 43 transit systems to share $100 million provided through Economic Recovery Act funding. The goal is to support agencies pursuing cutting-edge environmental technologies designed to reduce global warming and increase the number of green jobs, while lessening America's dependence on foreign oil. Light fixtures, HVAC control systems, and roof upgrades will be the focus of the facility energy retrofits. GCRTA will upgrade a total of eight facilities in all, including Central Rail, and Central Bus, its bus garages, its Paratransit center, and its main office. These facilities were selected because the retrofits will generate the greatest savings. GCRTA's own internal analysis concluded that more than 60 percent of all facility-related energy usage occurred at these facilities.

GCRTA and its customers also celebrated the one year anniversary of the Healthline, which experienced a nearly 50% increase in ridership, exceeding all expectations. Euclid Avenue was one of the few corridors in the region where economic redevelopment continued at an impressive rate, in spite of the tightening credit markets.

FUTURE PLANS

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

Transit Centers - Transit centers are strategically located where bus routes intersect and service is timed to provide easy transferring. Larger centers include indoor waiting areas and concessions. GCRTA has existing Transit Centers at Fairview Park, Euclid, North Olmsted, Maple Heights, Parma Mall and one on the east side of town.

Park-N-Ride Lots - Parking lots are strategically located at freeway or other major intersections. Commuters leave their cars and ride express service to and from their destinations. GCRTA provides more than 8,855 parking spaces at 21 of the rapid transit stations. In addition, the Authority operates bus Park-N-Rides at Strongsville (600 spaces) and Westlake (550 spaces). The objective of the GCRTA Park-N-Ride Development Plan is to provide rail and/or bus Park-N-Ride services for all major commuter corridors in Cuyahoga County.

CAPITAL IMPROVEMENT PLAN

The development of the 2010 budget included preparation of a five-year Capital Improvement Plan ("CIP"). This document is an outline for rebuilding and expanding service by the Authority. Totaling $436.4 million, the CIP constitutes a significant public works effort aimed at remaking the transit network and positioning the Authority, not just for the short-term, but also for the long-term future.

Significant capital improvements planned for the five-year period include:

Rail Projects - $155.5 million

This commitment of funds includes the upgrade of the Catenary system, station and track rehabilitation, bridges, train control systems, rail vehicles overhaul, and signage. Rail projects include the rehabilitation of the rail stations totaling $47.0 million, overhaul of the heavy rail vehicles of $7.9 million, rehabilitation of the rail tracks of $24.9 million, upgrade of Catenary electrical system of $18.5 million, upgrade of our train control and signal systems of $8.1 million, and the extension of the blue line of $49.1 million.

Local Capital Projects - $12.8 million

Classified as Routine Capital Projects ($5.7 million) and Asset Maintenance Projects ($7.1million), these initiatives are funded entirely from local resources. Routine Capital Projects are typically equipment requested by various departments and not funded through grants. Asset Maintenance funds are used to maintain, rehabilitate, replace, or construct assets of a smaller scope or cost than those typically supported with grants. These projects are authorized within the Authority's Capital Fund and are supported with annual allocations of sales tax receipts.

Bridge Rehabilitation and Other Improvements - $12.7 million

Funding has been provided for the rehabilitation of five track bridges.

Bus Purchases, Paratransit Vehicles and Circulator Bus - $57.8 million

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

Transit Centers and Shelters and Other - $36.1 million

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

Equipment and Non-Revenue Vehicles - $3.7 million

This project calls for the upgrade of lighting at two of the facilities of $2.3 million, the replacement of the operator dispatch system of $1.0 million and the upgrade of the management information system of $0.4 million.

Operating Expenses and Other Expenses - $157.8 million

Certain operating costs are budgeted as capital items as designated by the Federal Transportation Administration (FTA) or the State government to be incurred over the next several years and are reimbursable by the Federal and State governments totaling $145.1 million. These costs are recorded as operating costs in the enclosed financial statements. Included in this category are $12.1 for fare collection equipment lease and $0.6 million for planning.

OTHER INFORMATION

Certificate of Achievement for Financial Reporting

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

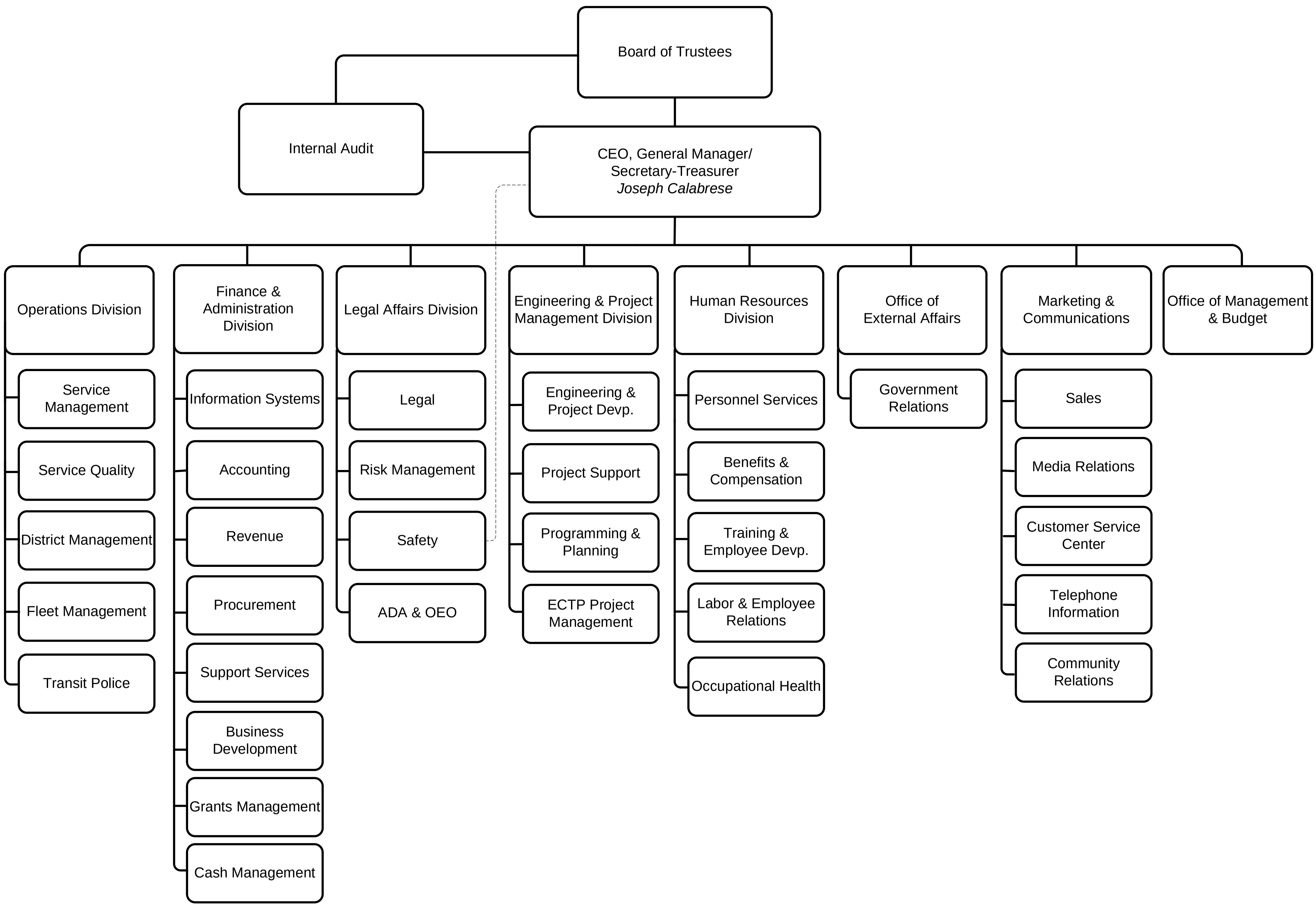
Acknowledgments

The GCRTA expresses thanks to the staff of the Accounting Department directed by Glenn Hendrix and assisted by Angela Coats, for their work in preparing this report. Pamela Blackwell, Debra Benjamin, Louis Catalusci, Larry Ferrell and Joseph Ivan organized the project. Frances Barnett typed and proofread the entire document, and prepared it for printing. Cuyahoga County and Steven C. Letsky, Director of Accounting for the Cuyahoga County Auditor, provided supporting demographics and other statistics.

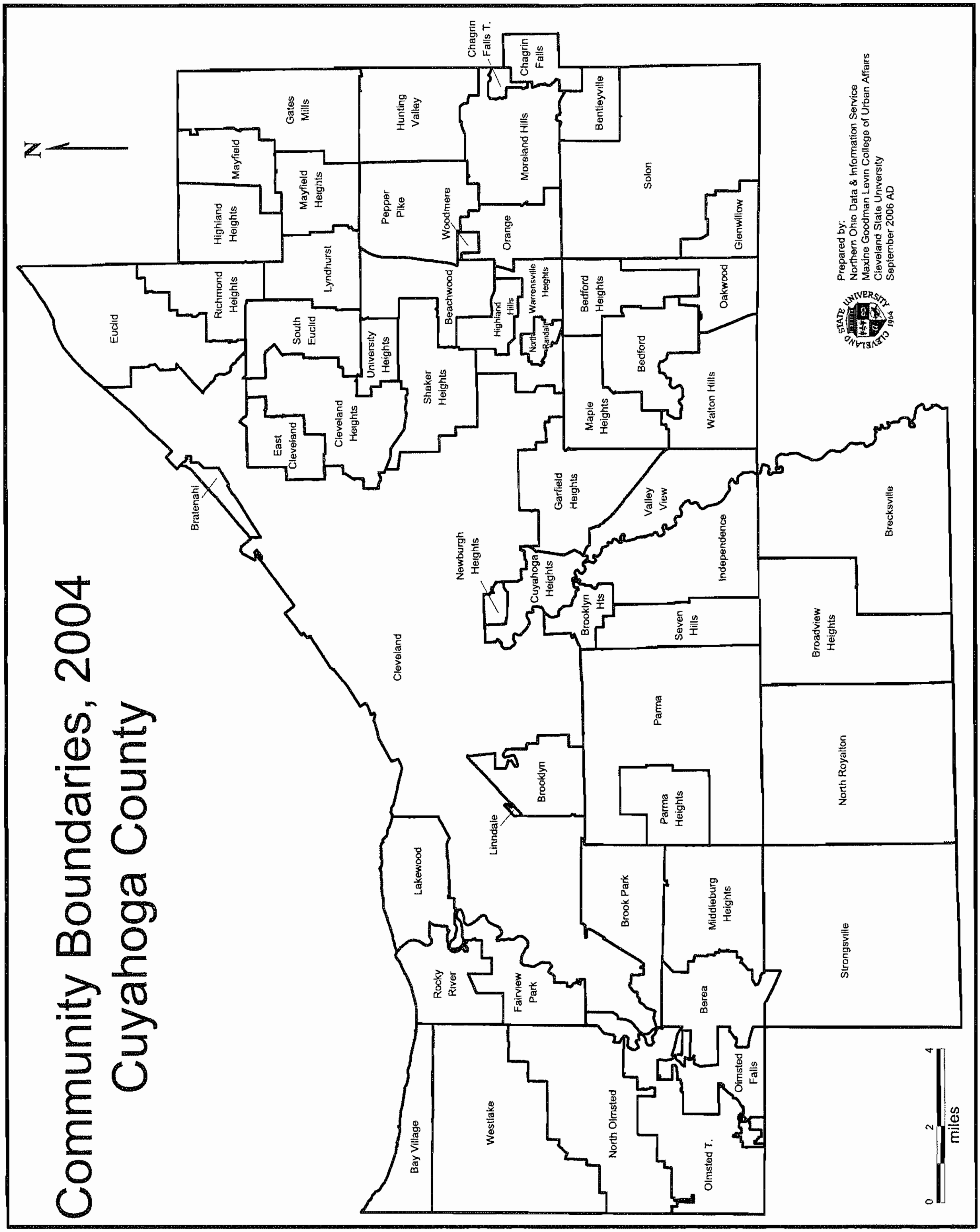
Joseph A. Calabrese
Chief Executive Officer,
General Manager/
Secretary-Treasurer

Loretta Kirk
Deputy General Manager,
Finance & Administration

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
ORGANIZATIONAL CHART AS OF DECEMBER 31, 2009



Board of Trustees and Executive Management Team


Community Boundaries, 2004
Cuyahoga County
N
Euclid
Richmond Heights
Highland Heights
Mayfield
Gates Mills
Mayfield Heights
Hunting Valley
Chagrin Falls T.
Chagrin Falls
Bentleyville
Moreland Hills
Pepper Pike
Woodmere
Orange
Solon
Glenwillow
Lyndhurst
South Euclid
University Heights
Beachwood
Highland Hills
Warrensville Heights
North Randall
Bedford Heights
Oakwood
Bedford
Walton Hills
Maple Heights
Shaker Heights
Cleveland Heights
East Cleveland
Bratenahl
Garfield Heights
Valley View
Newburgh Heights
Cuyahoga Heights
Brooklyn Hts
Independence
Seven Hills
Brecksville
Broadview Heights
Cleveland
Parma
Parma Heights
North Royalton
Brooklyn
Linndale
Lakewood
Brook Park
Middleburg Heights
Strongsville
Rocky River
Fairview Park
Berea
Olmsted Falls
Bay Village
Westlake
North Olmsted
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Prepared by:
Northern Ohio Data & Information Service
Maxine Goodman Levin College of Urban Affairs
Cleveland State University
September 2006 AD
CLEVELAND STATE UNIVERSITY
1964

2009
FINANCIAL SECTION
BASIC FINANCIAL STATEMENTS AND NOTES

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Board of Trustees
Greater Cleveland Regional Transit Authority

We have audited the accompanying basic financial statements of the Greater Cleveland Regional Transit Authority ("Authority"), as of and for the years then ended December 31, 2009 and 2008, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of December 31, 2009 and 2008, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2009, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2010, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

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Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

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Board of Trustees
Greater Cleveland Regional Transit Authority

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 18, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Greater Cleveland Regional Transit Authority (GCRTA or Authority), we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2009 and 2008. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Overview of Financial Highlights

- The Authority's net assets decreased by $7.3 million, or 1.2% in 2009 compared to 2008. Net assets increased by $9.0 million, or 1.5%, increase in 2008 compared to 2007.

- Current assets decreased by $6.8 million or 6.1% in 2009 compared to 2008. Current assets decreased $6.5 million or 5.5% in 2008 compared to 2007.

- Current liabilities increased by $4.8 million, or 8.5% in 2009 compared to 2008. Current liabilities decreased by $8.8 million, or 13.5%, for 2008 compared to 2007.

- The Authority's non-current liabilities decreased by $13.9 million, or 5.9% in 2009 compared to 2008. Non-current liabilities increased by $33.4 million or 16.6% in 2008 compared to 2007.

Basic Financial Statements and Presentation

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

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

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

The Statements of Cash Flows allow financial statement users to assess the Authority's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statements are classified into four categories: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

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

The basic financial statements can be found beginning on page 14 of this report.

FINANCIAL ANALYSIS OF THE AUTHORITY

Condensed Summary of Assets, Liabilities, and Net Assets (amounts in millions)

	December 31, 2009	2008	2007
Assets:			
Current assets	$ 104.8	$ 111.6	$ 118.0
Other noncurrent assets	10.2	16.2	11.4
Capital assets (net of accumulated depreciation)	776.2	779.8	744.6
Total assets	$ 891.2	$ 907.6	$ 874.0
Liabilities:			
Current liabilities	$ 61.1	$ 56.3	$ 65.1
Noncurrent liabilities	220.3	234.2	200.8
Total liabilities	281.4	290.5	265.9
Net assets:			
Invested in capital assets, net of related debt	574.8	575.0	565.4
Restricted	18.7	21.7	6.6
Unrestricted	16.3	20.4	36.1
Total net assets	609.8	617.1	608.1
Total liabilities and net assets	$ 891.2	$ 907.6	$ 874.0

Net assets may serve as a useful indicator of financial position. The Authority's assets exceeded liabilities by $609.8 million as of December 31, 2009, a $7.3 million decrease from 2008. At December 31, 2008, assets exceeded liabilities by $617.1 million, an increase of $9.0 million over 2007.

The largest portion of the Authority's net assets reflect investment in capital assets consisting of buses, rail cars, right-of-ways, and operating facilities, less any related debt used to acquire those assets still outstanding. The Authority uses these capital assets to provide public transportation services for Cuyahoga County.

During 2009, major construction projects aggregating $10.5 million were completed and transferred to the appropriate property and facilities account. Major projects include: a portion of the LRV Overhaul ($2.7 million) Track over Delmont, Hower and Auburndale Rehabilitation ($3.9 million), Westpark Substation Replacement ($2.3 million), and Turnout Reconstruction of Shaker Trunk Line ($1.6 million).

Included in the December 31, 2009 construction in progress balance are costs associated with a portion of the LRV Overhaul, Puritas Street Rapid Transit Reconstruction, East 55th Street Station Rehabilitation, East Side Transit Center Design, University-Cedar Station Design, along with various other projects.

During 2008, major construction projects aggregating $177.4 million were completed and transferred to the appropriate property and facilities account. Major projects include: Euclid Corridor Project ($144.7 million), the New Flyer Buses for the Euclid Corridor Project ($16.6 million), Farebox Collection System ($6.7 million), a portion of the LRV Overhaul ($4.3 million), Abby Road Track Bridge Rehabilitation ($2.2 million), and several smaller projects with a combined total of $2.9 million.

Included in the December 31, 2008 construction in progress balance are costs associated with a portion of the LRV Overhaul, Track over Delmont, Hower and Auburndale Rehabilitation, Westpark Substation Replacement, Brookpark to Airport Cab Signal Upgrade, East 55th Street Station Rehabilitation, along with various other projects.

Readers desiring more detailed information on capital asset activity should read Note 4 - Capital Assets on page 25 included in the notes to the basic financial statements.

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

Description

	Years Ended December 31, 2009	2008	2007
Operating revenues:			
Passenger fares	$ 50.1	$ 47.7	$ 43.2
Advertising and concessions	1.1	1.4	1.3
Total operating revenues	51.2	49.1	44.5
Operating expenses, excluding depreciation			
Labor and fringe benefits	(170.5)	(171.7)	(171.7)
Materials and supplies	(35.2)	(36.2)	(30.9)
Services	(11.7)	(10.3)	(10.7)
Utilities	(9.8)	(12.0)	(9.3)
Casualty and liability	(8.9)	(11.9)	(8.3)
Purchased transportation	(4.4)	(4.4)	(3.2)
Leases and rentals	(0.3)	(0.4)	(0.4)
Taxes	(1.7)	(2.0)	(2.0)
Miscellaneous	(2.4)	(3.2)	(2.0)
Total operating expenses before depreciation	(244.9)	(252.1)	(238.5)
Depreciation expense	(50.1)	(45.5)	(43.4)
Total operating expenses	(295.0)	(297.6)	(281.9)
Operating loss	(243.8)	(248.5)	(237.4)
Nonoperating revenues (expenses):			
Sales and use tax revenue	154.9	168.3	175.1
Federal operating grants and reimbursements	22.5	23.2	22.6
State/local operating grants and reimbursements	15.9	4.7	4.4
Federal pass-through grants revenue	11.6	3.9	0.7
Federal pass-through expenses	(11.6)	(3.9)	(0.7)
Investment income	0.5	2.2	2.6
Interest expense	(8.7)	(8.3)	(7.0)
Other income	2.5	2.0	1.6
Total nonoperating revenues	187.6	192.1	199.3
Net loss before capital grant revenue	(56.2)	(56.4)	(38.1)
Capital grants revenue	48.9	65.4	62.4
Increase in net assets during the year	(7.3)	9.0	24.3
Net assets, beginning of year	617.1	608.1	583.8
Net assets, end of year	$ 609.8	$ 617.1	$ 608.1

FINANCIAL OPERATING RESULTS

Revenues

Ridership and Passenger Fares – Farebox receipts and special transit fares are included within this caption. Passenger fare revenue for 2009 increased by $2.2 million or 4.5% compared with 2008, attributable to a full year of the fuel surcharge and a fare increase implemented in September 2009. This was offset by a decrease in total ridership from 57.9 million in 2008 to 49.9 million in 2009. Passenger fare revenue for 2008 increased by $4.4 million or 10.3% compared with 2007, attributable to an increase in total ridership from 57.3 million in 2007 to 57.9 million in 2008.

Sales and Use Tax – This dedicated 1% tax is levied in Cuyahoga County as part of the 7.75% overall tax on retail sales that changed from 7% effective July 2003. Sales and use tax revenue accounted for 59.8% of the Authority's revenue for 2009, and 66.4% for 2008, and 69.6% for 2007. Revenue received from sales and use tax for 2009 decreased $13.4 million, or 8.0%, compared to a $6.7 million or 3.8% decrease in 2008 from 2007. The decrease is due to the downturn in the economy.

Federal Operating Grants and Reimbursements – The Authority received approximately $22.5 million for 2009, $23.2 million for 2008, and $22.6 million in 2007 in preventive maintenance reimbursement funds to cover the costs of certain inventory purchases and maintenance costs incurred.

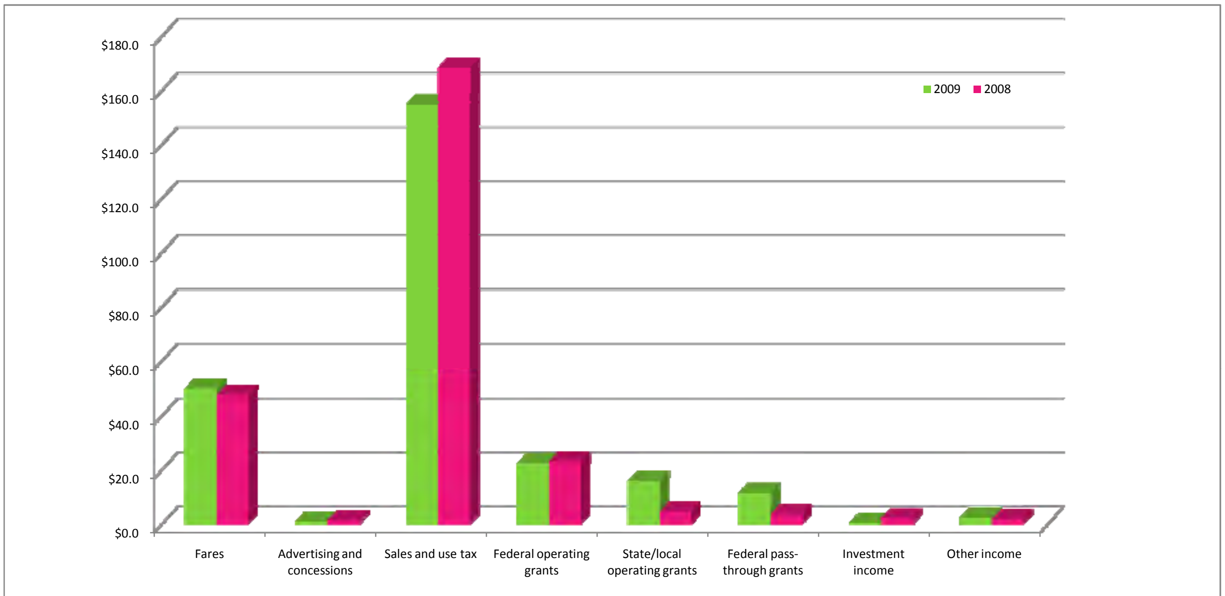
State/Local Operating Grants and Reimbursements – The Ohio Department of Transportation (ODOT) allocates grants for operating assistance and elderly and handicapped programs. This category also includes reimbursement for state fuel taxes paid by the Authority. The Authority received a $11.2 million or 238.6% increase in this category for 2009 compared to a $0.3 million or 7.4% increase in 2008. During 2009, the Authority received $11.0 million in additional operating assistance that did not occur in 2008.

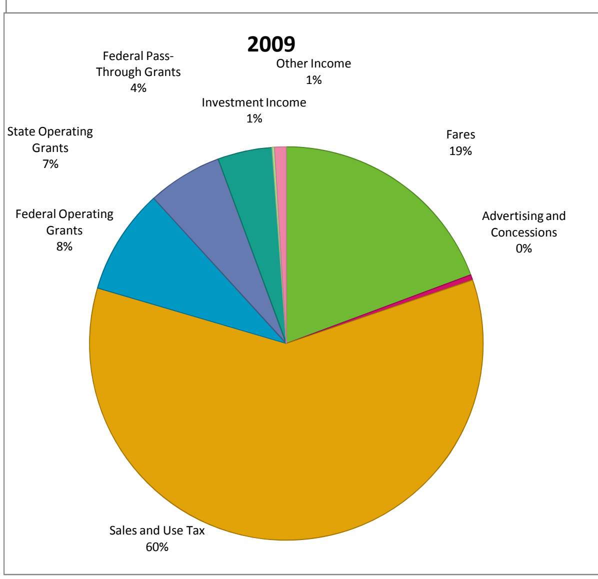
Investment Income – Investment income decreased by $1.7 million or 78.9% in 2009 compared to a $0.4 million or 15.4% decrease in 2008. The decrease was a direct result of a lower average investment balance.

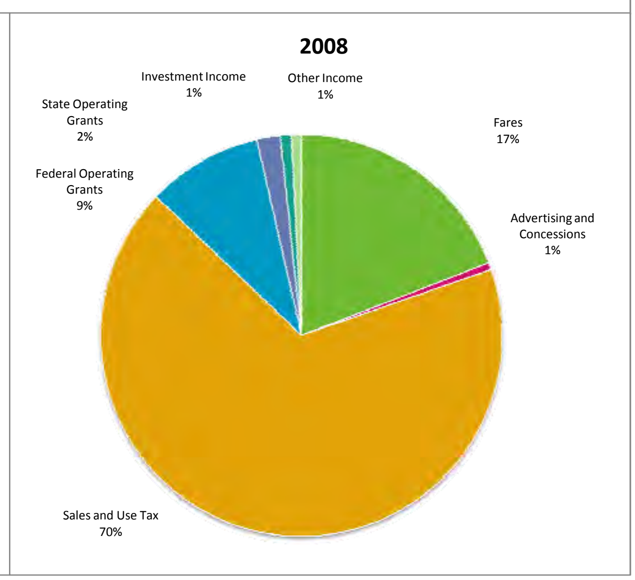
REVENUE

Millions of Dollars

	2009	2008	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Fares	$50.1	$47.7	$2.4	5.0 %
Advertising and concessions	1.1	1.4	(0.3)	(21.4)
Sales and use tax	154.9	168.3	(13.4)	(8.0)
Federal operating grants	22.5	23.2	(0.7)	(3.0)
State/local operating grants	15.9	4.7	11.2	238.3
Federal pass-through grants	11.6	3.9	7.7	197.4
Investment income	0.5	2.2	(1.7)	(77.3)
Other income	2.5	2.0	0.5	25.0
Total	**$259.1**	**$253.4**	**$5.7**	**2.2 %**







Expenses

Labor and Fringe Benefits: These personnel related costs decreased by $1.2 million, or 0.70%, in 2009 compared to 2008. During 2009, the number of personnel decreased to 2,374, compared to 2,577 in 2008, offset by an increase in the costs of providing health care benefits. Costs decreased by $0.1 million, or 0.04% in 2008 compared to 2007 due to a decrease in the number of personnel offset by an increase in the cost of providing health care benefits.

Materials and Supplies: These costs have increased $1.0 million or 2.72% in 2009 compared to 2008. The increase is due to the increased use of parts relating to the repair of buses. These costs have increased $5.3 million or 17.2% in 2008 compared to 2007 due to an increase in the cost of diesel fuel.

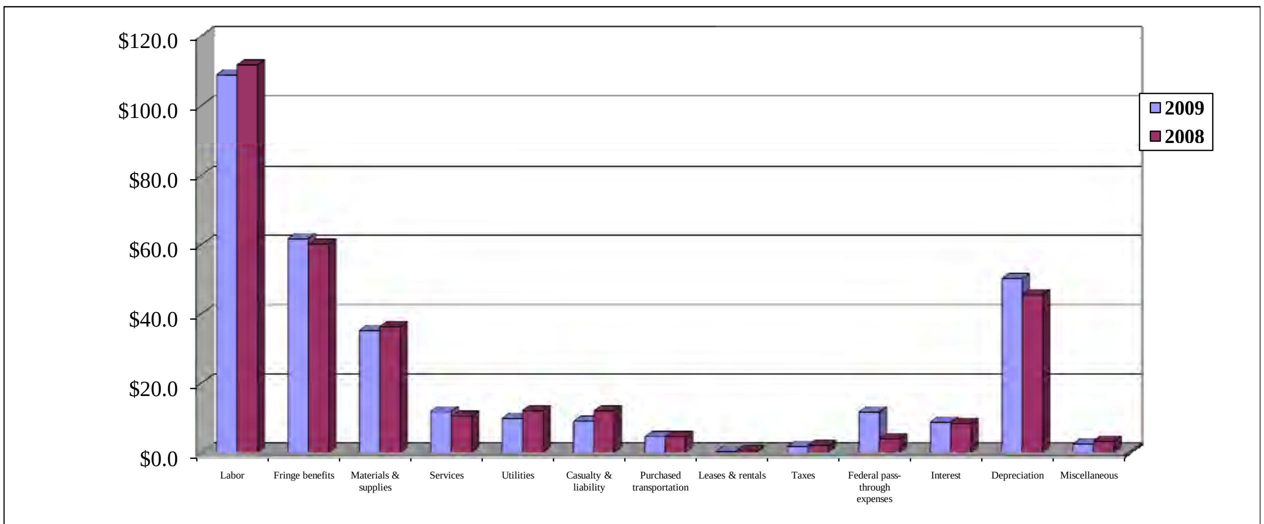
Services: Costs in this category increased by $1.4 million or 13.6% in 2009 compared to 2008. The increase is due to additional costs for workers' compensation administration and maintenenace contracts. Costs in this category decreased by $0.4 million or 3.7% in 2008 compared to 2007. This decrease is due to less costs for medical and functional testing services. Also contributing to the decrease is the Authority no longer making annual payments to the City of Maple Heights and City of North Olmsted in the amounts of $168,000 and $250,000, respectively. The last payments were made in 2007.

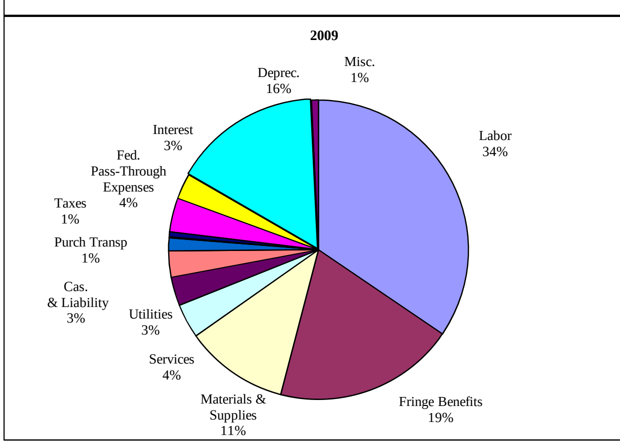
Casualty and Liability: These costs decreased by $3.0 million for 2009 compared to 2008, due to higher claims in 2008 that did not reoccur in 2009. These costs increased by $3.5 million for 2008 as compared to 2007 due to higher claims. Casualty and liability claims are recorded based on actuarial studies performed in both 2009 and 2008.

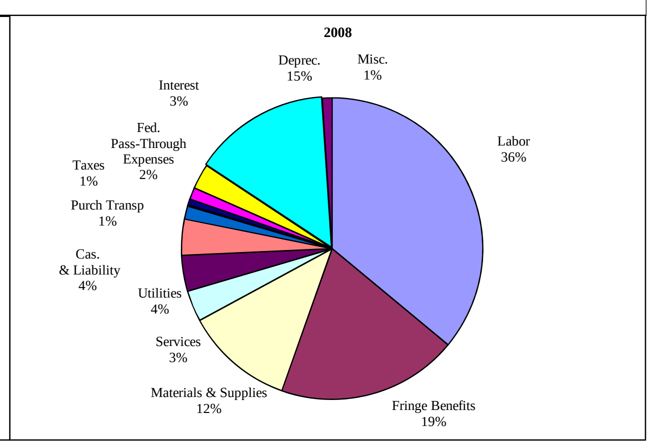
Expenses by Object Class

Millions of Dollars

	2009	2008	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Labor	$108.8	$111.6	($2.8)	(2.5) %
Fringe benefits	61.7	60.1	1.6	2.7
Materials & supplies	35.2	36.2	(1.0)	(2.8)
Services	11.7	10.3	1.4	13.6
Utilities	9.8	12.0	(2.2)	(18.3)
Casualty & liability	8.9	11.9	(3.0)	(25.2)
Purchased transportation	4.4	4.4	-	0.0
Leases & rentals	0.3	0.4	(0.1)	(25.0)
Taxes	1.7	2.0	(0.3)	(15.0)
Federal pass-through expenses	11.6	3.9	7.7	197.4
Interest	8.7	8.3	0.4	4.8
Depreciation	50.1	45.5	4.6	10.1
Miscellaneous	2.4	3.2	(0.8)	(25.0)
Total	**$315.3**	**$309.8**	**$5.5**	**1.8 %**



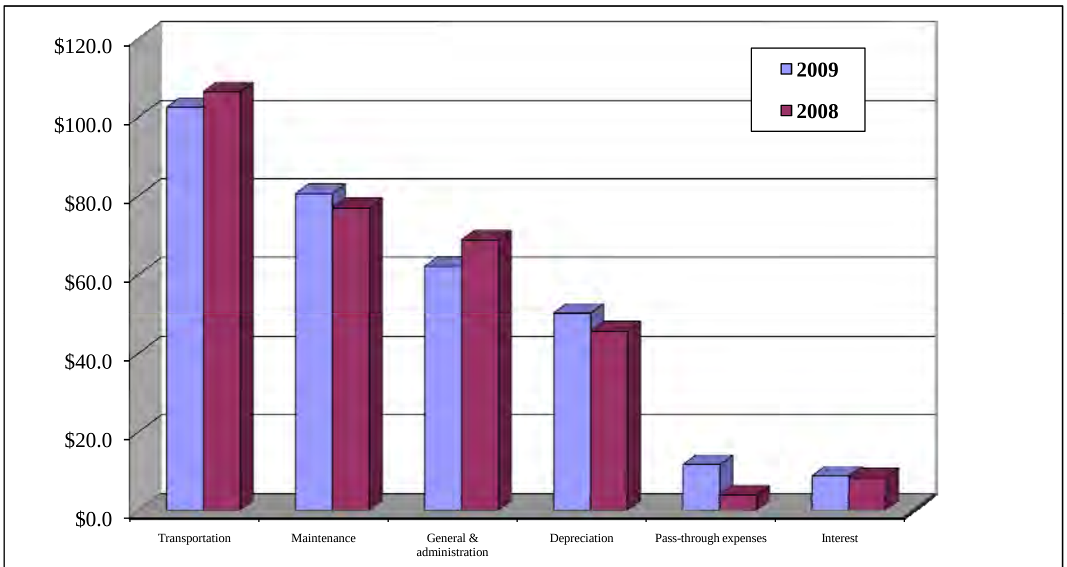


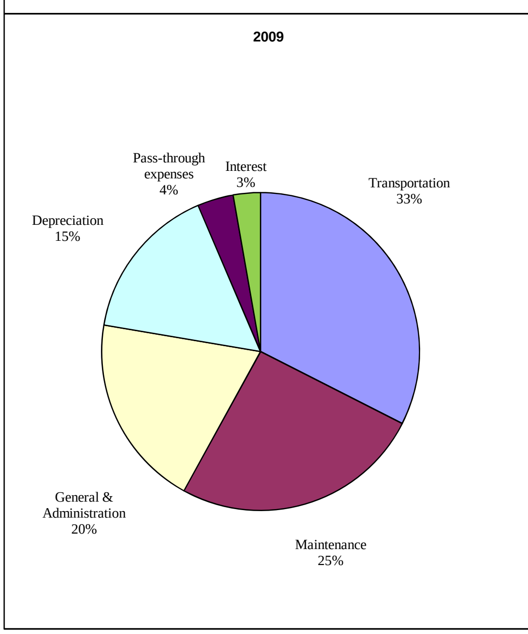


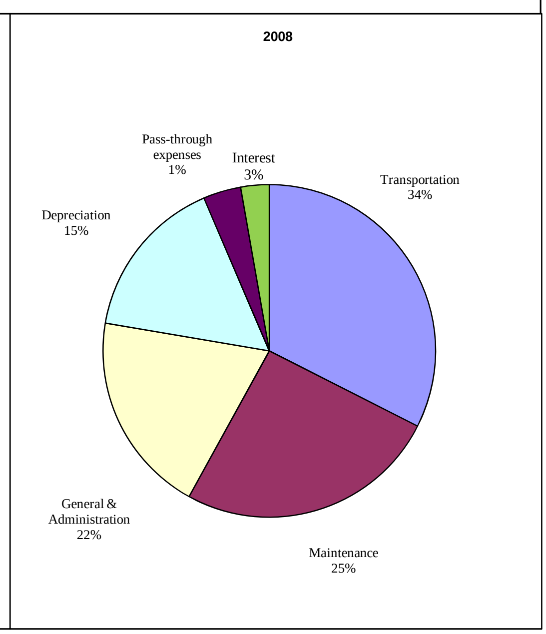
Expenses by Function

Millions of Dollars

	2009	2008	Increase/(Decrease) Amount	Percent
Transportation	$102.4	$106.4	($4.0)	(3.8) %
Maintenance	80.5	76.9	3.6	4.7
General & administration	62.0	68.7	(6.7)	(9.8)
Depreciation	50.1	45.6	4.5	9.9
Pass-through expenses	11.6	3.9	7.7	197.4
Interest	8.7	8.3	0.4	4.8
Total	**$315.3**	**$309.8**	**$5.5**	**1.8 %**







Debt Administration

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

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

On September 12, 2008, the Authority issued $27,390,000 of general obligation capital improvement refunding bonds bearing interest at an average rate of 4.01% and payable through 2016. Proceeds of the bonds were used for the advance refunding of $27,555,000 of the 1998 capital improvement refunding bonds. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. In addition, a $175,000 principal payment was made in 2008.

In 2008, the Authority advance refunded the Series 1998R bonds to reduce its total debt service payments over the next nine years by approximately $1,657,804 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,659,943.

On March 7, 2006 The Authority issued $38,490,000 of general obligation capital improvement and refunding bonds. Of the $38,490,000, $25,000,000 was issued to finance current and future capital improvement projects and the remainder for the advance refunding of previous issues. The bonds bear interest at rates ranging from 3.94% to 5.00% per annum, and mature in various installments through December 1, 2025. Proceeds of $14,146,326 were placed in an escrow trust fund for the purpose of generating resources for future debt services payments of the refunded debt.

In 2006, The Authority advance refunded the Series 1998 and 2001 bonds to reduce its total debt service payments over the next 15 years by approximately $412,215, and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $413,877.

On November 16, 2004 the Authority issued $67,235,000 of general obligation capital improvement and refunding bonds. Of the $67,235,000, $38,000,000 was issued to finance current and future capital improvement projects and the remainder for the advance refunding of previous issues. The bonds bear interest at rates ranging from 2.0% to 5.0% per annum, and mature in various installments through December 1, 2024. Proceeds of $32,178,171 were placed in an escrow trust fund for the purpose of generating resources for future debt services payments of the refunded debt.

In 2004, the Authority advance refunded the Series 1996, 1998 and 2001 bonds to reduce its total debt service payments over the next 13 years by approximately $1,052,747 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,057,912.

On June 6, 2002, the Authority issued $17,540,000 of general obligation capital improvement refunding bonds bearing interest at an average rate of 3.75% and payable through 2011. A portion of the proceeds of the bonds was used for the advance refunding of $16,470,000 of the 1996 capital improvement bonds. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt.

On December 1, 2001, the Authority issued $29,890,000 of general obligation capital improvement bonds. The bonds bear interest at rates ranging from 2.50% to 5.63%, per annum, and mature in various installments through December 1, 2021

The Authority had $163.0 million of outstanding capital improvement bonds as of December 31, 2009 of which $36.0 million is non-callable and $127.0 million callable. The Authority general obligation debt is rated 'A3' by Moody's Investors Service, Inc. and 'A' by Fitch IBCA, Inc.

For more information, see Note 5 on page 45 of this report.

Total outstanding bonds and loans as of December 31, 2009 include:

Series	Issue Date	Maturity Date	Original Principal	December 31, 2009 Balance	Average Interest Rate
General Obligation Improvement Bonds					
2001	12/11/01	12/01/2021	$ 29,890,000	$ 2,670,000	5.12%
2004	11/16/04	12/01/2024	67,235,000	54,115,000	4.23%
2006	03/07/06	12/01/2025	38,490,000	35,390,000	4.51%
2008	02/20/08	12/01/2027	35,000,000	34,800,000	4.57%
General Improvement Refunding Bonds					
Series 2002R (12/2002 annually thru 2011)				8,760,000	4.39%
Series 2008R (12/2008 annually thru 2016)				27,290,000	4.01%
Total General Obligation Bonds				163,025,000	
Other- State Infrastructure Bank Loan (annually thru 2014)				3,303,074	4.25%
Total Bonds and Loan				$ 166,328,074	
Deferred Refunding				(1,320,199)	
Premium				6,105,784	
Long-term Bonds and Loan				$ 171,113,659	

At December 31, 2009, the maximum annual debt service charges permitted under Ohio law for new debt issuance was $15.7 million.

During 2007, the Authority entered into a $25,000,000 tax-exempt lease agreement with Key Government Finance, Inc. for the purpose of financing the purchase of a new automated fare collection system. The lease has a maturity date of October 2021. For more information on the lease, please see Note 6 on page 47 of this report.

The Authority had $172.8 million of outstanding capital improvement bonds as of December 31, 2008 of which $40.3 million is non-callable and $132.5 million callable. The Authority general obligation debt is rated 'A3' by Moody's Investors Service, Inc. and 'A' by Fitch IBCA, Inc.

Total outstanding bonds and loans as of December 31, 2008 include:

Series	Issue Date	Maturity Date	Original Principal	December 31, 2008 Balance	Average Interest Rate
General Obligation Improvement Bonds					
2001	12/11/01	12/01/2021	$ 29,890,000	$ 3,920,000	4.73%
2004	11/16/04	12/01/2024	67,235,000	57,380,000	2.96%
2006	03/07/06	12/01/2025	38,490,000	36,325,000	4.25%
2008	02/20/08	12/01/2027	35,000,000	34,900,000	3.96%
General Improvement Refunding Bonds					
Series 2002R (12/2002 annually thru 2011)				12,850,000	3.75%
Series 2008R (12/2008 annually thru 2016)				27,390,000	3.75%
Total General Obligation Bonds				172,765,000	
Other- State Infrastructure Bank Loan (annually thru 2014)				3,575,318	4.25%
Total Bonds and Loan				$ 176,340,318	
Deferred Refunding				(1,776,996)	
Premium				6,587,286	
Long-term Bonds and Loan				$ 181,150,608	

At December 31, 2008, the maximum annual debt service charges permitted under Ohio law for new debt issuance was $15.9 million.

Request for Information

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

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Balance Sheets

December 31, 2009 and 2008

Assets		2009		2008
Current assets:				
Cash and cash equivalents	$	9,732,611	$	12,173,400
Restricted for capital assets:				
Cash and cash equivalents		8,775,291		30,163,094
Investments		19,115,150		6,662,750
Restricted for debt service:				
Cash and cash equivalents		184,752		1,728,139
Investments		1,885,696		0
Receivables:				
Sales and use tax		43,000,238		42,672,505
Trade and accrued interest		849,125		1,066,647
Naming rights - current portion		250,000		250,000
State capital assistance		817,934		3,637,057
Federal capital assistance		9,225,890		3,318,212
Materials and supplies inventory		10,521,262		9,847,889
Deposits		450,924		0
Total current assets		104,808,873		111,519,693
Noncurrent assets:				
Investments		2,966,113		8,662,915
Naming rights		5,375,000		5,625,000
Other assets		1,818,437		1,948,799
Capital assets:				
Land		38,563,380		34,664,832
Infrastructure		62,285,261		58,189,166
Right of ways		272,712,196		270,116,062
Building, furniture and fixtures		445,019,243		442,177,253
Transportation and other equipment		430,334,435		419,449,015
Bus Rapid Transit		162,440,361		157,844,665
Construction-in-process		25,670,340		19,680,304
Total capital assets		1,437,025,216		1,402,121,297
Less accumulated depreciation		(660,806,329)		(622,326,579)
Capital assets – net		776,218,887		779,794,718
Total noncurrent assets and capital assets		786,378,437		796,031,432
Total assets	$	891,187,310	$	907,551,125
Liabilities and Net Assets				
Current liabilities:				
Accounts payable	$	7,917,328	$	12,562,688
Contracts and other payables		11,590,596		5,371,543
Notes payable		8,000,000		0
Contract retainers		802,609		5,142,483
Interest payable - bonds		898,060		916,174
Current portion - accrued wages and benefits		8,112,776		10,548,533
Current portion - compensated absences		643,289		622,731
Current portion - long-term debt		12,547,028		11,650,904
Current portion - self-insurance liabilities		6,659,986		7,050,506
Current portion - deferred revenue		2,735,357		2,458,856
Current portion - deferred gain from fuel hedging		1,188,222		0
Total current liabilities		61,095,251		56,324,418
Noncurrent liabilities:				
Accrued wages and benefits		2,262,596		2,262,596
Compensated absences		9,509,807		10,089,125
Long-term debt		180,874,769		193,183,709
Self-insurance liabilities		12,368,545		13,093,797
Deferred revenue		13,598,088		14,526,944
Deferred gain from fuel hedging		651,110		0
Other long-term liabilities		1,016,876		1,016,876
Total noncurrent liabilities		220,281,791		234,173,047
Total liabilities		281,377,042		290,497,465
Net assets:				
Invested in capital assets, net of related debt		574,797,090		574,960,105
Restricted for Capital Projects		17,249,843		20,572,145
Restricted for Debt Service		1,450,029		1,087,325
Unrestricted		16,313,306		20,434,085
Total net assets		609,810,268		617,053,660
Total liabilities and net assets	$	891,187,310	$	907,551,125

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended December 31, 2009 and 2008

	2009	2008
Operating revenues:		
Passenger fares	$ 50,127,736	$ 47,670,767
Advertising and concessions	1,115,051	1,382,537
Total operating revenues	51,242,787	49,053,304
Operating expenses:		
Labor and fringe benefits	170,532,772	171,656,615
Materials and supplies	35,185,131	36,167,067
Services	11,717,948	10,313,060
Utilities	9,792,721	12,048,184
Casualty and liability	8,909,581	11,861,898
Purchased transportation	4,443,301	4,397,479
Leases and rentals	315,624	374,615
Taxes	1,703,455	2,006,666
Miscellaneous	2,395,465	3,209,590
Total operating expenses before depreciation	244,995,998	252,035,174
Depreciation expense	50,052,657	45,530,572
Total operating expenses	295,048,655	297,565,746
Operating loss	(243,805,868)	(248,512,442)
Nonoperating revenues (expenses):		
Sales and use tax revenue	154,913,953	168,303,887
Federal operating grants and reimbursements	22,553,158	23,189,502
State/local operating grants and reimbursements	15,875,181	4,688,576
Federal pass-through grants revenue	11,572,945	3,939,283
Investment income	460,338	2,185,831
Interest expense	(8,711,134)	(8,329,273)
Federal pass-through expenses	(11,572,945)	(3,939,283)
Other income	2,473,219	2,037,377
Total nonoperating income	187,564,715	192,075,900
Net loss before capital grant revenue	(56,241,153)	(56,436,542)
Capital grants revenue:		
Federal	42,304,204	57,549,165
State	6,693,557	7,851,742
Total capital grant revenue	48,997,761	65,400,907
Increase (decrease) in net assets	(7,243,392)	8,964,365
Net assets, beginning of year	617,053,660	608,089,295
Net assets, end of year	$ 609,810,268	$ 617,053,660

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

Years ended December 31, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Cash received from customers	$ 51,517,809	$ 50,414,541
Cash payments to suppliers for goods and services	(70,741,155)	(66,653,875)
Cash payments to employees for services	(111,816,059)	(108,390,087)
Cash payments for employee benefits	(61,711,230)	(60,063,935)
Cash payments for casualty and liability	(10,025,353)	(8,407,250)
Net cash used in operating activities	(202,775,988)	(193,100,606)
Cash flows from noncapital financing activities:		
Sales and use taxes received	154,586,220	173,568,818
Grants, reimbursements, and special fare assistance:		
Federal	22,553,158	23,189,502
State and local	16,216,183	4,688,576
Other receipts	1,669,363	1,233,521
Net cash provided by noncapital financing activities	195,024,924	202,680,417
Cash flows from capital and related financing activities:		
Federal capital grant revenue	36,396,526	59,516,757
State capital grant revenue	9,512,680	6,665,644
Acquisition and construction of capital assets	(44,467,540)	(95,973,308)
Proceeds from new debt	23,000,000	35,474,699
Principal paid on bond maturities and other debt	(26,388,111)	(11,283,997)
Interest paid on bonds and other debt	(8,881,922)	(8,432,020)
Net cash used in capital and related financing activities	(10,828,367)	(14,032,225)
Cash flows from investing activities:		
Purchases of investments	(58,895,386)	(47,710,850)
Proceeds from maturities of investments	50,254,092	52,610,952
Proceeds from fuel hedging	1,388,408	0
Interest received from investments	460,338	2,185,831
Net cash provided by investing activities	(6,792,548)	7,085,933
Net increase (decrease) in cash and cash equivalents	(25,371,979)	2,633,519
Cash and cash equivalents, beginning of year	44,064,633	41,431,114
Cash and cash equivalents, end of year	$ 18,692,654	$ 44,064,633
Noncash investing and capital and related financing activities:		
Increase (decrease) in fair value of investments	$ (24,560)	$ 97,636
Increase (decrease) in capitalized assets due to capitalized costs, recorded contracts payable, recorded retainage payable, and loss on disposal	$ 2,199,119	$ (14,661,560)
Increase (decrease) in long-term debt due to deferred refunding costs, premium, and amortization	$ (24,705)	$ 1,436,860

See accompanying notes to financial statements.

(Continued)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

(Continued)

Years ended December 31, 2009 and 2008

	2009	2008
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (243,805,868)	$ (248,512,442)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	50,052,658	45,530,572
Amortization-other assets	131,223	102,297
Change in assets and liabilities:		
(Increase) decrease in other receivables	217,522	(43,763)
(Increase) decrease in materials and supplies inventory	(673,373)	(1,090,872)
(Increase) decrease in naming rights	250,000	
Increase (decrease) in deferred revenue	(192,500)	1,405,000
Increase (decrease) in accounts payable, accrued compensation, self-insurance liabilities and other	(8,755,650)	9,508,602
Net cash used in operating activities	$ (202,775,988)	$ (193,100,606)

See accompanying notes to financial statements.

1. DESCRIPTION OF AUTHORITY OPERATIONS AND DEFINITION OF THE ENTITY

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

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

The Authority also has the power, under Section 306.40 of the Ohio Revised Code, to levy and collect both voted (after approval at an election) and unvoted ad valorem taxes on all the taxable property within the territorial boundaries of the Authority, in order to pay debt service on its bonds and notes issued in anticipation thereof. Ad valorem taxes have not been levied through 2009.

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

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

B) **Reporting Entity** – "The Financial Reporting Entity," as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), is comprised of the primary government and its component units. The primary government includes all departments and operations of the Authority which are not legally separate organizations. Component units are legally separate organizations which are fiscally dependent on the Authority or for which the Authority is financially accountable. An organization is fiscally dependent if it must receive the Authority's approval for its budget, the levying of taxes, or the issuance of debt. The Authority is financially accountable for an organization if it appoints a majority of the organization's board, and either a) has the ability to impose its will on the organization or b) there is the potential for the organization to provide a financial benefit to or impose a financial burden on the Authority. The reporting entity of the Authority consists solely of the primary government. There are no component units.

Under the guidelines of GASB Statement No. 14, the Authority is a jointly governed organization. Of its ten member board, four of the members are appointed by the Mayor of the City of Cleveland with the consent of City Council; three members, one of whom must reside in the City of Cleveland, are appointed by the County Commissioners; the remaining three members are elected by an association of suburban mayors, city managers, and township trustees. None of the participating governments appoints a majority of the Authority's board and none has an ongoing financial interest or responsibility. None of the participating governments provided any significant financial transactions with the Authority during 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed to the extent that those standards do not conflict with or contradict guidance of the GASB. The Authority also has the option of following subsequent private-sector guidance, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance as it relates to its operations.

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

Investments – Investments are reported at fair value based on quoted market prices.

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

Capital Assets – Effective January 2004 the Authority defines capital assets as assets with an initial cost of at least $5,000 and an estimated useful life in excess of one year. In previous years, the initial cost was defined as $1,000. Capital assets, which include property, facilities infrastructure, and equipment, are stated at historical cost. The cost of normal maintenance and repairs is charged to operations as incurred. Improvements and interest are capitalized and depreciated over the remaining useful lives of the related properties. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

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

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

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

Invested in Capital Assets, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted Assets – This consists of constraints placed on net assets use through external constraints imposed by grantors, contributors, or laws. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt.

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

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

Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenues over the entitlement periods.

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

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

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

Consignment of Fare Media – The Authority has sales agreements with local businesses to sell fare media on its behalf for a 2% commission fee. Fare media is on consignment with these businesses. Proceeds for the sale of the fare media and unsold fare media are returned to the Authority within 30 days.

In addition, the Authority has agreements with local companies, called the "Commuter Advantage" Program, where employees can sign up to purchase monthly passes using pre-tax dollars. In 2009, approximately 10,000 employees from 430 local organizations participated in the program.

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

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

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

These programs are administered by the Authority. Claims are accrued in the year the expenses are incurred, based upon the estimates of the claim liabilities made by management, legal counsel of the Authority, and actuaries. Also provided for are estimates of claims incurred during the year but not yet reported.

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

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

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

Changes in Accounting Policy – Effective for the periods beginning after June 15, 2008, the Authority implemented GASB Statement No. 52 *Land and Other Real Estate Held as Investments by Endowments.* This statement establishes consistent standards for the reporting of land and other real estate held as investments by endowments. This statement did not have an impact on the Authority's financial statements.

Effective March 2009, the Authority implemented GASB Statement No. 55 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.* GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. GASB Statement No. 56 incorporates accounting and financial reporting guidance previously contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments. These statements did not have an impact on the Authority's financial statements.

New Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) issued three new accounting pronouncements. Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* is effective for periods beginning after June 15, 2009. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* is effective for periods beginning after June 15, 2009. Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* is effective for periods beginning after June 15, 2010. The Authority is currently evaluating the impact of adopting these statements.

Reclassifications – Certain prior year amounts have been reclassified to conform with the 2009 presentation.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following is a complete listing of deposits and investments held by the Authority at December 31, 2009:

	2009	2008
Demand deposits	$ 18,510,104	$ 43,882,083
Cash on hand	182,550	182,550
Investments	23,966,959	15,325,665
Total	$ 42,659,613	$ 59,390,298
Demand deposits -- bank balance	$ 18,212,652	$ 23,540,764

The deposits and investments of the Authority at December 31, 2009 are reflected in the financial statements as follows:

	2009	2008
Current Assets:		
Cash and cash equivalents	$ 9,732,609	$ 12,173,400
Restricted Assets:		
Cash and cash equivalents	8,960,044	31,891,233
Investments	21,000,846	6,662,750
Noncurrent Assets:		
Investments	2,966,113	8,662,915
Total	$ 42,659,612	$ 59,390,298

The deposits and investments of the Authority are governed by the provisions of the Bylaws of the Authority and the Ohio Revised Code. In accordance with these provisions, only banks located in Ohio and domestic savings and loan associations are eligible to hold public deposits. The provisions also permit the Authority to invest its monies in certificates of deposit, savings accounts, money market accounts, the state treasurer's investment pool (STAROhio), and obligations of the United States government or certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding 30 days.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned by the bank. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities, the face value of which is at least 105% of the total value of public monies on deposit at the institution. At December 31, 2009 $17,462,652 of the Authority's bank balance of $18,212,652 was uninsured and uncollateralized as defined by the GASB. At December 31, 2008 $23,240,764 of the Authority's bank balance of $23,540,764 was uninsured and uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the Authority's name, as permitted under Ohio Law.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset, or index, or both; separate from the financial instrument contract or obligation itself (commonly known as a "derivative"). The Authority is also prohibited from investing in reverse repurchase agreements. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. As of December 31, 2009 and 2008, the Authority had no investments subject to custodial credit risk.

Interest Rate Risk

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

As of December 31, 2009, the Authority's investment maturities were as follows:

		Investment maturities in in years	
Investment	**Fair value**	**Less than one year**	**One to three years**
U.S. Government Agency Securities	$ 23,966,959	$ 10,922,248	$ 13,044,711

As of December 31, 2008 the Authority's investment maturities were as follows:

		Investment maturities in in years	
Investment	**Fair value**	**Less than one year**	**One to three years**
U.S. Government Agency Securities	$ 15,325,665	$ 1,164,158	$ 14,161,507

Credit Risk

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

As of December 31, 2009, the credit quality ratings of the Authority's investments were as follows:

Investment	Fair value	Rating	Rating organization
U.S. government agency securities	$ 23,966,959	Aa3	Moody
		A	Fitch

As of December 31, 2008 the credit quality ratings of the Authority's investments were as follows:

Investment	Fair value	Rating	Rating organization
U.S. government agency securities	$ 15,325,665	AAA	S&P/Moody

Concentration of Credit Risk

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

More than 5% of the Fund's investments are in Ford Credit Auto Receivables Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Company, Federal National Mortgage Association, and Federal Farm Credit Bank. At December 31, 2009 these investments were 42%, 21%, 16%, 12% and 9%, respectively. At December 31, 2008 investments for Federal National Mortgage Association, Federal Home Loan Mortgage Company, Federal Home Loan Bank, and Federal Farm Credit Bank were 32%, 27%, 26% and 15%, respectively, of the Fund's total investments.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	Balance January 1, 2009	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2009
Capital Assets Not Being Depreciated:				
Land	$ 34,664,832	$ 3,898,548	$ 0	$ 38,563,380
Construction in Progress	19,680,304	16,448,723	10,458,687	25,670,340
Total Capital Assets Not Being Depreciated	54,345,136	20,347,271	10,458,687	64,233,720
Capital Assets Being Depreciated:				
Infrastructure	58,189,166	4,096,095	0	62,285,261
Right of Ways	270,116,062	2,596,134	0	272,712,196
Building, Furniture & Fixtures	442,177,253	2,841,990	0	445,019,243
Transportation and Other Equipment	419,449,015	22,648,160	11,762,740	430,334,435
Bus Rapid Transit	157,844,665	4,595,696	0	162,440,361
Total Capital Assets Being Depreciated	1,347,776,161	36,778,075	11,762,740	1,372,791,496
Less Accumulated Depreciation:				
Infrastructure	11,481,039	1,233,970	0	12,715,009
Right of Ways	136,439,157	6,612,066	0	143,051,223
Building, Furniture & Fixtures	199,128,821	13,790,288	0	212,919,109
Transportation and Other Equipment	274,720,401	24,854,836	11,572,908	288,002,329
Bus Rapid Transit	557,161	3,561,498	0	4,118,659
Total Accumulated Depreciation	622,326,579	50,052,658	11,572,908	660,806,329
Total Capital Assets Being Depreciated, Net	725,449,582	(13,274,583)	189,832	711,985,167
Total Capital Assets, Net	$ 779,794,718	$ 7,072,688	$ 10,648,519	$ 776,218,887

Remaining costs to complete construction projects, as of December 31, 2009, which will extend over a period of several years, total $51.1 million. Approximately $49.8 million of these costs are eligible for reimbursement under approved capital grants. The remaining portion of these costs is the responsibility of the Authority and will be funded with sales tax revenue or long-term debt.

For the year ended December 31, 2009, capitalized interest was $127,969.

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance January 1, 2008	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2008
Capital Assets Not Being Depreciated:				
Land	$ 32,903,464	$ 1,761,368	$ 0	$ 34,664,832
Construction in Progress	141,257,858	55,837,059	177,414,613	19,680,304
Total Capital Assets Not Being Depreciated	174,161,322	57,598,427	177,414,613	54,345,136
Capital Assets Being Depreciated:				
Infrastructure	55,882,877	2,306,289	0	58,189,166
Right of Ways	266,911,504	3,204,558	0	270,116,062
Building, Furniture & Fixtures	439,884,246	2,823,480	530,473	442,177,253
Transportation and Other Equipment	398,110,990	34,948,942	13,610,917	419,449,015
Bus Rapid Transit	0	157,844,665	0	157,844,665
Total Capital Assets Being Depreciated	1,160,789,617	201,127,934	14,141,390	1,347,776,161
Less Accumulated Depreciation:				
Infrastructure	10,297,601	1,183,438	0	11,481,039
Right of Ways	129,861,492	6,577,665	0	136,439,157
Building, Furniture & Fixtures	185,914,072	13,745,222	530,473	199,128,821
Transportation and Other Equipment	264,318,151	23,467,086	13,064,836	274,720,401
Bus Rapid Transit	0	557,161	0	557,161
Total Accumulated Depreciation	590,391,316	45,530,572	13,595,309	622,326,579
Total Capital Assets Being Depreciated, Net	570,398,301	155,597,362	546,081	725,449,582
Total Capital Assets, Net	$ 744,559,623	$ 213,195,789	$ 177,960,694	$ 779,794,718

For the year ended December 31, 2008, capitalized interest was $785,112.

5. LONG-TERM DEBT

Long-term bonds, loan and capital lease payable at December 31, 2009 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009	Due Within One Year
Series 2001	5.12	$ 3,920,000	$ 0	$ 1,250,000	$ 2,670,000	$ 1,300,000
Series 2002R	4.39	12,850,000	0	4,090,000	8,760,000	4,280,000
Series 2004	4.23	57,380,000	0	3,265,000	54,115,000	3,350,000
Series 2006	4.51	36,325,000	0	935,000	35,390,000	970,000
Series 2008	4.57	34,900,000	0	100,000	34,800,000	100,000
Series 2008R	4.01	27,390,000	0	100,000	27,290,000	265,000
Deferred Refunding		(1,776,996)	0	(456,797)	(1,320,199)	0
Premium		6,587,286	0	481,502	6,105,784	0
SIB Loan		3,575,318	0	272,244	3,303,074	843,565
Total Bonds and Loan Payable		181,150,608	0	10,036,949	171,113,659	11,108,565
Capital Lease Payable		23,684,005	0	1,375,867	22,308,138	1,438,463
Total Long-Term Debt		$ 204,834,613	$ 0	$ 11,412,816	$ 193,421,797	$ 12,547,028

Long-term bonds, loan and capital lease payable at December 31, 2008 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008	Due Within One Year
Series 1998	4.61%	$ 1,525,000	$ 0	$ 1,525,000	$ 0	$ 0
Series 1998R	4.17	27,730,000	0	27,730,000	0	0
Series 2001	4.73	5,120,000	0	1,200,000	3,920,000	1,250,000
Series 2002R	3.75	16,780,000	0	3,930,000	12,850,000	4,090,000
Series 2004	4.25	59,005,000	0	1,625,000	57,380,000	3,265,000
Series 2006	4.39	37,225,000	0	900,000	36,325,000	935,000
Series 2008	3.96	0	35,000,000	100,000	34,900,000	100,000
Series 2008R	4.68	0	27,390,000	0	27,390,000	100,000
Deferred Refunding		(1,876,125)	(854,411)	(953,540)	(1,776,996)	0
Premium		4,609,856	2,366,115	388,685	6,587,286	0
SIB Loan		4,088,320	0	513,002	3,575,318	535,037
Total Bonds and Loan Payable		154,207,051	63,901,704	36,958,147	181,150,608	10,275,037
Capital Lease Payable		25,000,000	0	1,315,995	23,684,005	1,375,867
Total Long-Term Debt		$ 179,207,051	$ 63,901,704	$ 38,274,142	$ 204,834,613	$ 11,650,904

Certain bonds maturing after December 31, 2009 are subject to optional redemption by the Authority prior to maturity.

In 1998, the Authority entered into a loan agreement with the State of Ohio, Department of Transportation for a State Infrastructure Bank (SIB) loan in an amount not to exceed $6,945,000 to be repaid over a fifteen-year period at an annual rate of 4.25%. Through December 31, 2006, the Authority had borrowed $6,945,000 under this loan agreement to finance the rehabilitation for the Cuyahoga River Viaduct Project.

On December 1, 2001, the Authority issued $29,890,000 of general obligation capital improvement bonds. The bonds bear interest at rates ranging from 2.50% to 5.63%, per annum, and mature in various installments through December 1, 2021.

On June 6, 2002, the Authority issued $17,540,000 of general obligation capital improvement refunding bonds bearing interest at an average rate of 3.75% and payable through December 1, 2011. A portion of the proceeds of the bonds was used for the advance refunding of $16,470,000 of the 1996 capital improvement bonds. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2009 is $8,680,000.

On November 16, 2004 the Authority issued $67,235,000 of general obligation capital improvement and refunding bonds. Of the $67,235,000, $38,000,000 was issued to finance current and future capital improvement projects and the remainder for the advance refunding of previous of previous issues. The bonds bear interest at rates ranging from 2.0% to 5.0% per annum, and mature in various installments through December 1, 2024. Proceeds of $32,178,171 were placed in an escrow trust fund for the purpose of generating resources for future debt services payments of the refunded debt. The amount of the defeased debt at December 31, 2009 is $23,590,000.

On March 7, 2006 the Authority issued $38,490,000 of general obligation capital improvement and refunding bonds. Of the $38,490,000, $25,000,000 was issued to finance current and future capital improvement projects and the remainder for the advance refunding of previous issues. The bonds bear interest at rates ranging from 4.0% to 5.0% per annum, and mature in various installments through December 1, 2025. Proceeds of $14,146,326 were placed in an escrow trust fund for the purpose of generating resources for future debt services payments of the refunded debt. The amount of the defeased debt at December 31, 2009 is $13,450,000.

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

On September 12, 2008, the Authority issued $27,390,000 of general obligation capital improvement refunding bonds bearing interest at an average rate of 4.01% and payable through December 1, 2016. Proceeds of the bonds were used for the advance refunding of $27,555,000 of the 1998 capital improvement refunding bonds. In addition, a $175,000 principal payment was made in 2008. The proceeds were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. The amount of the defeased debt at December 31, 2009 is $27,375,000.

The annual requirements to pay principal and interest on the bonds and loan outstanding at December 31, 2009 are as follows:

	Bonds and Loans	
Year	**Principal**	**Interest**
2010	$ 11,108,565	$ 7,269,157
2011	11,265,470	6,781,318
2012	13,189,653	6,353,865
2013	13,669,463	5,893,255
2014	14,254,923	5,323,545
2015-2019	55,895,000	18,124,562
2020-2024	36,595,000	7,544,898
2025-2027	10,350,000	897,450
Total	**$ 166,328,074**	**$ 58,188,050**

6. CAPITAL LEASE OBLIGATION

During 2008, the Authority entered into a tax-exempt lease agreement with Key Government Finance, Inc. for the purpose of financing the purchase of a new automated fare collection system. The Authority's lease obligation meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases". The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of December 31, 2009.

Year	Amounts
2010	$ 2,426,108
2011	2,426,108
2012	2,426,108
2013	2,426,108
2014	2,426,108
2015-2019	12,130,538
2020-2024	4,852,215
Total Minimum Lease Payments	29,113,293
Less: Amount Representing Interest	(6,805,155)
Present Value of Minimum Lease Payments	**$ 22,308,138**

Capital assets acquired by leases have been capitalized and depreciated as follows:

Capital Assets:	
Transportation and Other Equipment	$8,793,131
Less Accumulated Depreciation:	
Transportation and Other Equipment	(1,551,988)
Capital Assets, Net	$7,241,143

7. NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2009 follows:

Issue	Average Interest Rate	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009
2009 Revenue Anticipation Notes	1.15%	$ 0	$ 15,000,000	$ 15,000,000	$ 0
2009 Bond Anticipation Notes	3.25	0	8,000,000	0	8,000,000
Total Notes Payable		$ 0	$ 23,000,000	$ 15,000,000	$ 8,000,000

On March 18, 2009, the Authority issued $15,000,000 in revenue anticipation notes for cash flow purposes. These notes matured on December 22, 2009.

On December 21, 2009, the Authority issued $8,000,000 in bond anticipation notes in anticipation of grant monies. These notes mature on March 19, 2010.

All notes are backed by the full faith and credit of the Greater Cleveland Regional Transit Authority and will mature within one year.

8. PURCHASED TRANSPORTATION SERVICES

The Greater Cleveland Regional Transit Authority has a contract with a local taxi company to provide transit services within Cuyahoga County for elderly and handicapped persons. Expenses under this contract amounted to $4,443,301 and $4,397,479 in 2009 and 2008, respectively.

9. GRANTS, REIMBURSEMENTS, AND SPECIAL FARE ASSISTANCE

Grants, reimbursements, and special fare assistance are included in the non-operating revenues (expenses) and the capital grant revenue categories on the Statement of Revenues, Expenses, and Changes in Net Assets for the years ended December 31, 2009 and 2008 as follows:

		2009		2008
FEDERAL:				
FTA Capital Grants	$	42,304,204	$	57,549,165
FTA Maintenance Assistance		22,548,372		23,022,795
FTA Operating Grants		4,786		166,707
Pass-Through Grants		11,572,945		3,939,283
Total	$	76,430,307	$	84,677,950
STATE:				
ODOT Capital Grants	$	6,693,557	$	7,851,742
ODOT Fuel Tax Reimbursement		1,214,478		1,474,391
ODOT Elderly and Handicapped Grants		1,378,381		2,157,533
ODOT Operating Grants		13,282,322		1,056,652
Total	$	22,568,738	$	12,540,318

10. CONTINGENCIES

Federal and State Grants – Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At December 31, 2009, there were no questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future.

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

11. FUEL HEDGING

Pursuant to Ohio Revised Code, Section 9.835(A), (B) and (C) and Section 135.14, the Authority utilizes commodity hedging to reduce the volatility in fuel costs. Hedging techniques are traditionally used to limit exposure to price fluctuations. Management recognized that fluctuations in fuel prices could have a negative impact on the Authority's financial affairs. Accordingly, the Authority has utilized both futures contracts and fuel swap agreements as a hedge against price volatility of diesel fuel. The hedging transactions are completely separate from the physical fuel purchase transactions.

Futures Contracts – The Authority's Board limits contracts in-place to 90% of projected consumption within a fiscal year. Beginning in January 2009, heating oil #2 futures contracts were utilized to hedge future fuel consumption through January 2012. The initial value of each contract is zero. When fuel is purchased, contracts are exercised, thereby effectively tying the fuel price to the price of the #2 heating oil as of the date of the contract's creation. On December 31, 2009, none of the contracts were sold, therefore the fair market value of the investments is being recorded as a deferred gain in the financial statements. The deferred gain at December 31, 2009 was $1,839,331.

Fuel Price Swap Agreements - The Authority has also entered into fuel swap agreements or contracts as a hedge against price volatility of diesel fuel. In 2009, the Authority entered into 9 fuel swap agreements, which allowed the Authority to plan and manage fuel costs, reduce risk and improve budget stability.

Terms: During 2009, the Authority entered into commodity derivative agreements for NYMEX No. 2 heating oil with various counterparties, as shown below:

Execution Date	Maturity Date	Gallons	Total Quantity (Gallons)	Contract Price Range Per Gallon	Fair Market Value as of 12/31/09
2/4/2009	12/31/2010	42,000	504,000	$1.6495-$1.7825	$243,483
2/24/2009	12/31/2010	42,000	504,000	$1.4476-$1.6299	327,902
3/4/2009	12/31/2010	42,000	504,000	$1.5000-$1.6335	319,103
4/2/2009	12/31/2010	42,000	504,000	$1.5972-$1.7927	252,307
7/14/2009	12/31/2010	42,000	336,000	$1.9700-$2.1200	55,083
9/14/2009	12/31/2011	42,000	504,000	$2.1080-$2.2150	63,273
9/24/2009	4/30/2012	42,000	504,000	$2.0400-$2.1500	127,134
12/9/2009	12/31/2011	42,000	504,000	$2.2800-$2.3900	8,694
12/15/2009	4/30/2012	42,000	504,000	$2.2050-$2.3250	45,171
					$1,442,150

Payment between the swap parties is the difference between the swap price per gallon and the unweighted arithmetic mean of each of the closing settlement prices quoted by the NYMEX, on each NYMEX trading day, during the settlement period for the No. 2 heating oil futures.

As of December 31, 2009, the swap agreements had a fair market value of $1,442,150 estimated by a mathematical approximation of the market, derived from proprietary model as of a given date, and based on certain assumptions regarding past, present and future market conditions.

As outlined in GASB Technical bulletin 2003-1, there are certain risks attached to this program. The Authority is exposed to credit risk in the amount of the fair market value. The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. Also, if at the time of the termination the swap has negative fair market value, the Authority would be liable to the counterparty for a payment equal to the fair market value. The Authority may face losses if fuel consumption falls below the volume of fuel hedged, and if the closing price of the futures contract is below the contract purchase price. There is no debt associated with these contracts.

12. LEASING TRANSACTIONS

On September 30, 2002, the Authority entered into transactions to lease 46 light rail vehicles cars and 58 heavy rail vehicles to investors (the "headlease") and simultaneously sublease the vehicles back (the "sublease"). Under these transactions, the Authority maintains the right to continue use and control of the assets through the end of the leases and is required to insure and maintain the assets. This transaction resulted in a net payment to the Authority in 2002 of approximately $14,509,707, which was recorded as deferred lease revenue and is being amortized over the life of the lease.

As part of the headlease agreements, the Authority received prepayments equivalent to the net present value of the headlease obligations. The Authority transferred a portion of these proceeds to third party lenders/undertakers in accordance with the terms of the debt and equity payment undertaking agreement. This agreement constitutes commitments by the undertakers to pay the Authority's sublease and buy-out options under the terms of the sublease. The debt and equity payment undertaker's performance under the agreement is guaranteed by their parent company.

13. RETIREMENT BENEFITS

Public Employees Retirement System of Ohio

Plan Description – All full-time employees of the Authority participate in the Ohio Public Employees Retirement System (OPERS). OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 800-222-7377. OPERS administers three separate plans as described below:

Traditional Pension Plan - A cost sharing, multiple-employer defined benefit pension plan.

Member-Directed Plan - A defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over 5 years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings.

Combined Plan - A cost sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan.

Funding Policy – The Ohio Revised Code provides statutory for employee and employer contributions which are summarized as follows:

	Contribution Rate as a % of Covered Salaries	Contributions		
		2009	2008	2007
By statutory authority	14.0-17.63%	$ 19,731,394	$ 19,775,681	$ 18,469,472
Less healthcare portion	5.5-7.0%	(8,199,083)	(9,697,301)	(7,271,222)
Required employer contribution		11,532,311	10,078,380	11,198,250
By employees	10.0-10.1%	13,904,298	13,954,107	12,582,653
Total pension contributions		$ 25,436,609	$ 24,032,487	$ 23,780,903

The pension contributions equaled the required contributions for each of the last three years.

Healthcare – OPERS maintains a cost sharing, multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and the combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment healthcare coverage, age and service retirees under the Tradition Pension and Combined plans must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor recipients is available. The healthcare coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Funding Policy – The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement healthcare through their contributions to OPERS. A portion of each employer's contributions to OPERS is set aside for the funding of post-retirement healthcare benefits.

Employer contribution rates are express as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.63%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer unit and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Healthcare Plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate what will be set aside for funding of post employment healthcare benefits. The portion of employer contributions allocated to healthcare was 7.00% from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to established rules for the payment of a portion of the healthcare coverage provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The statutory healthcare contribution requirement from the GCRTA for the years ended December 31, 2009 and 2008 (which is included in the GCRTA's total OPERS contribution) was $8,199,083 and $9,697,301, respectively. At December 31, 2009, the GCRTA was not responsible for paying premiums, contributions, or claims for OPEB under OPERS for any retirees, terminated employees, or other beneficiaries.

The OPEB is advance-funded on an actuarially determined basis through employer contributions and investment earnings thereon. The principal assumptions used for the 2006 actuarial computations (latest available) were as follows:

Actuarial Review – The assumptions and calculations were based on OPERS' latest actuarial review performed as of December 31, 2008.

Funding Method – The individual entry age actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability.

Assets Valuation Method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor.

Investment Return – The investment assumption rate for 2008 was 6.50%.

Active Employee Total Payroll – An annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.3%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50% to 3% for the next 6 years. In subsequent years, (7 and beyond), health care costs were assumed to increase at 4.00% (the projected wage inflation rate).

At December 31, 2009 and 2008, there were 357,584 and 356,388 active participants contributing to the plan. The GCRTA's actuarially required OPEB contribution for 2008 and 2007 equaled the actual amount contributed to OPERS by the GCRTA. In addition, at December 31, 2008 (the latest information available), the actual value of the plan's net assets available for OPEB approximated $10.7 billion and the actuarial accrued liability, based on the actuarial method used, was $29.6 billion and $18.9 billion, respectively.

The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions, are expected to be sufficient to sustain the program indefinitely.

On September 9, 2004 the OPERS Board of Trustees adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allows additional funds to be allocated to the health care plan.

Supplemental Retirement Benefit Plan – GCRTA pays supplemental retirement benefits to various classifications of individuals under several different arrangements. This plan is not governed under ERISA (Employee Retirement Income Security Act of 1974). In 2009 and 2008, there were 1,255 participants in pay status and 2,081active employees and benefit payments of $87,647.

As of December 31, 2009, the Supplemental Pension Fund liability was determined to be $1,016,876 based on the 2008 actuarial study. The market value of associated assets totaled $1,015,907 and $893,230 as of December 31, 2009 and 2009, respectively.

14. RISK MANAGEMENT

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

The Authority provides employees healthcare benefits, which include medical, drug, dental, and vision. These benefits are provided through both insured and self-funded plans under group agreements. A stop loss policy covers claims in excess of $500,000 per employee and an aggregate of $15,420,577 per year. The $500,000 specific threshold was exceeded by $176,462. The aggregate was not exceeded.

The Authority is also an authorized self-insured employer in the State of Ohio and administers its own workers' compensation claims. Excess workers' compensation insurance coverage protects the Authority in excess of a self-insured retention of $300,000 in year one and declining thereafter.

The GCRTA, by resolution of the Board of Trustees, established an insurance fund in fiscal year 1980 to accumulate monies to satisfy catastrophic or extraordinary losses. The insurance fund as of December 31, 2009 and 2008, was $4.4 and $5.4 million, respectively, and is included on the accompanying balance sheets as part of unrestricted net assets.

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

	2009		2008		2007	
Balance, Beginning of Year	$	20,144,303	$	16,689,655	$	14,830,798
Incurred Claims		23,647,370		23,351,763		16,961,924
Payments		(24,763,142)		(19,897,115)		(15,103,067)
Balance, End of Year	$	19,028,531	$	20,144,303	$	16,689,655
Due Within One Year	$	6,659,986	$	7,050,506	$	5,841,379

15. SUBSEQUENT EVENTS

$15,000,000 Revenue Anticipation Notes

On February 26, 2010, the Authority issued $15,000,000 in revenue anticipation notes for cash flow purposes. These notes will mature on December 26, 2010.

Service Reduction

On April 4, 2010, GCRTA implemented service changes to reduce expenses by approximately $9 million in response to decreased sales tax revenues and state funding. Management is currently evaluating the level of capital assets needed to provide the revised level of service, however, they do not feel that this will have a material effect on the financial statements.

2009
STATISTICAL SECTION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

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

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Authority implemented GASB Statement No. 34 in 2002.

TABLE 1

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

NET ASSETS BY COMPONENTS

LAST TEN YEARS (IN THOUSANDS)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Invested in Capital Assets, Net of Related Debt	$484,603	$465,181	$500,149	$529,740	$501,672	$530,319	$539,310	$565,353	$574,960	$574,797
Restricted	21,990	41,629	22,500	2,000	30,679	9,411	8,825	6,676	21,659	18,700
Unrestricted	27,140	14,673	22,004	17,866	20,220	20,871	35,624	36,060	20,434	16,313
Total Net Assets	$533,733	$521,483	$544,653	$549,606	$552,571	$560,601	$583,759	$608,089	$617,053	$609,810

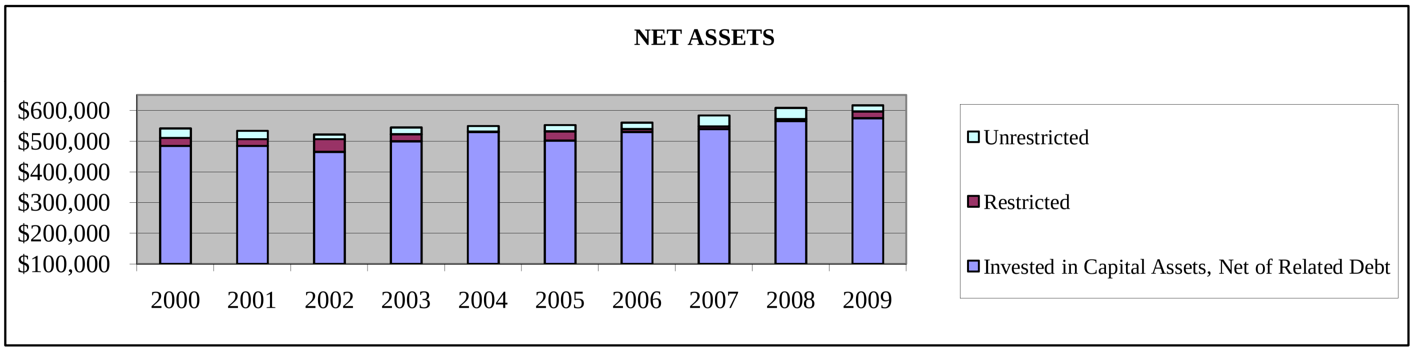


TABLE 2

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Operating Revenues:										
Passenger Fares	$41,584	$41,042	$38,185	$38,412	$37,578	$38,569	$40,924	$43,230	$47,671	$50,128
Advertising and Concessions	3,005	2,234	1,737	1,450	2,539	1,658	1,525	1,317	1,382	1,115
Total Operating Revenues	44,589	43,276	39,922	39,862	40,117	40,227	42,449	44,547	49,053	51,243
Operating Expenses	220,270	231,137	211,564	228,854	220,068	231,566	228,845	238,499	252,035	244,996
Depreciation Expense	37,093	36,251	36,086	39,360	41,610	40,670	43,199	43,458	45,531	50,053
Operating Loss	(212,774)	(224,112)	(207,728)	(228,352)	(221,561)	(232,009)	(229,595)	(237,410)	(248,513)	(243,806)
Nonoperating Revenues (Expenses)										
Sales and use tax revenue	161,273	157,297	157,212	159,050	168,659	167,127	170,477	175,051	168,304	154,914
Federal Funds	5,540	11,818	12,309	21,149	20,406	20,801	20,801	22,625	23,189	22,553
Other State and Local Funds	6,178	4,076	1,605	2,231	3,398	4,623	5,181	4,364	4,689	15,875
Federal pass-through grants revenue	0	0	0	0	0	0	0	667,621	3,939	11,573
Investment Income	2,743	1,713	1,535	622	413	1,538	2,782	2,595	2,186	460
Interest Expense	(5,672)	(5,637)	(6,064)	(5,816)	(4,465)	(6,698)	(7,883)	(6,960)	(8,329)	(8,711)
Federal pass-through expenses	0	0	0	0	0	0	0	(667,621)	(3,939)	(11,573)
Other Income	2,923	1,014	2,154	1,629	1,894	4,014	3,353	1,635	2,037	2,473
Total Nonoperating Revenues (Expenses)	172,985	170,281	168,751	178,865	190,305	191,405	194,711	199,310	192,076	187,564
Net Loss	(39,789)	(53,831)	(38,977)	(49,487)	(31,256)	(40,604)	(34,884)	(38,100)	(56,437)	(56,242)
Capital Contributions	31,891	41,581	62,147	54,440	35,221	48,633	58,762	62,431	65,401	48,998
Change in Net Assets	($7,898)	($12,250)	$23,170	$4,953	$3,965	$8,029	$23,878	$24,331	$8,964	($7,244)

TABLE 3
GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY
REVENUES BY SOURCE
LAST TEN YEARS (IN THOUSANDS)
(UNAUDITED)

YEAR	OPERATING	SALES AND USE TAXES	FEDERAL OPERATING GRANTS AND REIMBURSEMENTS	STATE/LOCAL OPERATING GRANTS, REIMBURSEMENTS, AND SPECIAL FARE ASSISTANCE	INVESTMENT INCOME	PASS-THROUGH GRANTS REVENUE	OTHER	CAPITAL GRANT INCOME*	TOTAL
2000	$44,589	$161,992	$5,540	$6,178	$2,743	$0	$2,923	$0	$223,965
2001	43,276	157,297	11,818	4,076	1,713	0	1,014	0	219,194
2002	39,922	157,212	12,309	1,605	1,535	0	2,154	62,147	276,884
2003	39,862	159,051	21,149	2,231	622	0	1,628	54,439	278,982
2004	39,117	168,659	20,406	3,398	413	0	1,894	35,221	269,108
2005	40,228	167,127	20,802	4,623	1,538	0	4,014	48,633	286,965
2006	42,449	170,477	20,081	5,181	2,782	0	3,353	58,762	303,085
2007	44,547	175,051	22,625	4,364	2,595	667	1,635	62,431	313,915
2008	49,053	168,304	23,189	4,689	2,186	3,939	2,037	65,401	318,798
2009	51,243	154,914	22,553	15,875	460	11,573	2,473	48,998	308,089

*Beginning in 2002 Capital Income has been reported as revenue. Prior to 2002 these amounts were reported as a direct addition to net assets

TABLE 4

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

TRANSPORTATION INDUSTRY (1):

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
YEAR	**FARES**	**OTHER**	**TOTAL**	**STATE & LOCAL**	**FEDERAL**	**TOTAL**	**TOTAL REVENUES**
2000	36.1%	17.4%	53.5%	42.4%	4.1%	46.5%	100.0%
2001	35.2	14.1	49.3	46.2	4.5	50.7	100.0
2002	32.5	17.3	49.8	45.3	4.9	50.2	100.0
2003	32.6	18.1	50.7	43.5	5.8	49.3	100.0
2004	32.9	16.7	49.6	43.4	7.0	50.4	100.0
2005	32.4	15.7	48.1	44.6	7.3	51.9	100.0
2006	33.2	15.2	48.4	43.9	7.7	51.6	100.0
2007	31.4	14.1	45.5	47.0	7.5	54.5	100.0
2008	21.4	19.0	40.4	42.2	17.4	59.6	100.0
2009	*	*	*	*	*	*	*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
YEAR	**FARES**	**OTHER(2)**	**TOTAL**	**STATE & LOCAL(3)**	**FEDERAL**	**TOTAL**	**TOTAL REVENUES**
2000	18.6%	3.8%	22.4%	75.1%	2.5%	77.6%	100.0%
2001	18.7	2.3	21.0	73.6	5.4	79.0	100.0
2002	17.8	2.5	20.3	74.0	5.7	79.7	100.0
2003	17.1	1.6	18.7	71.9	9.4	81.3	100.0
2004	16.1	1.6	17.7	73.6	8.7	82.3	100.0
2005	16.2	3.0	19.2	72.1	8.7	80.8	100.0
2006	16.7	3.2	19.9	71.9	8.2	80.1	100.0
2007	17.2	2.2	19.4	71.6	9.0	80.6	100.0
2008	19.1	2.3	21.4	69.3	9.3	78.6	100.0
2009	19.3	1.6	20.9	65.9	13.2	79.1	100.0

* Not Available

P Preliminary

(1) Source: The American Public Transit Association, APTA 2009 Public Transportation Fact Book, Table 20.

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

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

TABLE 5

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	TRANSPORTATION	MAINTENANCE	GENERAL AND ADMINISTRATIVE	DEPRECIATION	TOTAL OPERATING EXPENSES	INTEREST	FEDERAL PASS-THROUGH EXPENSES	TOTAL EXPENSES
2000	$85,647	$67,727	$66,896	$37,093	$257,363	$5,672	$0	$263,035
2001	92,371	71,877	66,889	36,251	267,388	5,638	0	273,026
2002	88,306	70,073	53,185	36,085	247,649	6,064	0	253,713
2003	91,442	69,817	67,595	39,360	268,214	5,816	0	274,030
2004	93,738	68,675	57,655	41,610	261,678	4,465	0	266,143
2005	96,065	73,387	62,114	40,670	272,236	6,698	0	278,934
2006	97,454	74,345	57,047	43,199	272,045	7,883	0	279,928
2007	98,065	77,489	63,613	43,458	282,625	6,960	667	290,252
2008	106,447	76,923	68,664	45,531	297,565	8,329	3,939	309,833
2009	102,421	80,586	61,989	50,053	295,049	8,711	11,573	315,333

TABLE 6

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

TRANSPORTATION INDUSTRY (1):

YEAR	LABOR AND FRINGES	MATERIALS AND SUPPLIES	SERVICES	UTILITIES	SELF-INSURANCE CLAIMS	PURCHASED TRANSPORTATION	OTHER	TOTAL OPERATING EXPENSES**
2000	69.8%	10.0%	5.7%	3.2%	2.2%	12.2%	(3.1)%	103.1%
2001	69.5	10.0	5.9	3.3	2.1	12.6	(3.4)	100.0
2002	70.2	9.2	6.2	3.1	2.5	12.0	(3.2)	100.0
2003	69.1	9.0	6.0	3.0	2.6	13.4	(3.1)	100.0
2004	68.7	9.1	5.8	3.0	2.6	13.4	(2.6)	100.0
2005	66.9	10.1	5.8	3.2	2.5	13.8	(2.3)	100.0
2006	66.1	11.3	5.9	3.2	2.5	13.4	(2.4)	100.0
2007	65.8	11.6	6.1	3.4	2.4	13.0	(2.3)	100.0
2008	63.9	12.8	6.3	3.4	2.2	13.7	(2.3)	100.0
2009	*	*	*	*	*	*	*	*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

YEAR	LABOR AND FRINGES	MATERIALS AND SUPPLIES	SERVICES	UTILITIES	SELF-INSURANCE CLAIMS	PURCHASED TRANSPORTATION	OTHER	TOTAL OPERATING EXPENSES**
2000	70.2%	10.5%	6.1%	3.5%	2.5%	4.5%	2.7%	100.0%
2001	69.7	9.7	4.2	4.1	5.1	4.9	2.3	100.0
2002	72.8	10.9	3.5	3.8	1.3	5.0	2.7	100.0
2003	69.3	8.7	6.9	3.5	3.8	5.0	2.8	100.0
2004	70.6	10.5	4.4	3.9	2.8	5.0	2.8	100.0
2005	69.6	12.8	4.6	4.2	3.1	2.7	3.0	100.0
2006	72.5	12.8	4.0	4.8	2.7	1.3	1.9	100.0
2007	71.8	12.9	4.5	3.9	3.5	1.3	2.1	100.0
2008	68.0	14.3	4.1	4.8	4.7	1.7	2.4	100.0
2009	70.1	14.5	4.8	4.0	3.7	1.8	1.1	100.0

* Not Available
** Excludes Depreciation and Interest
Source:

(1) The American Public Transit Association, APTA 2009 Public Transportation Fact Book , Table 18.

TABLE 7

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL SALES TAX COLLECTIONS BY INDUSTRY

2009 and 2006*

2009

Industry	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$19,874,983	12.90 %
Miscellaneous Store Retailers	16,591,094	10.70
Information (including telecommunications)	15,612,141	10.10
General Merchandise Stores	14,290,752	9.20
Accommodation and Food Services	12,751,878	8.20
Building Material and Garden Equipment & Supplies	9,170,330	5.90
Health and Personal Care Stores	6,494,361	4.20
Clothing and Clothing Accessories Stores	6,135,132	4.00
Administrative & Support Services	5,829,327	3.80
Food and Beverage Stores	5,610,970	3.60
Total	$112,360,968	72.60 %
Total Sales Tax Collection	$154,913,953	

2006

Industry	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$22,187,422	13.16 %
Miscellaneous Store Retailers	21,327,990	12.65
General Merchandise Stores	16,832,367	9.98
Information (Including Telecommunications)	14,788,748	8.77
Accommodation and Food Services	12,817,129	7.60
Building Material and Garden Equipment and Supplies	11,872,208	7.04
Administrative and Support Services; Waste Management and Remediation Services	6,864,163	4.07
Health and Personal Care Stores	6,645,638	3.94
Clothing and Clothing Accessories Stores	6,545,480	3.88
Real Estate, and Rental and Leasing of Property	6,172,503	3.66
Total	$126,053,648	74.75 %
Total Sales Tax Collection	$168,615,372	

Source: Ohio Department of Taxation
*Information prior to 2006 is not available

TABLE 8

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

LEGAL DEBT MARGIN
LAST TEN YEARS (IN THOUSANDS)

(UNAUDITED)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
OVERALL DEBT LIMITATION:										
Total Of All GCRTA Debt Outstanding	$101,238	$129,782	$124,857	$120,262	$152,529	$144,841	$161,080	$151,473	$176,340	$166,328
Exempt Debt	101,238	129,782	124,857	120,262	152,529	144,841	161,080	151,473	176,340	166,328
Net Indebtedness (Voted and Unvoted)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Assessed Valuation Of County - (Collection Year)	$28,572,250	$28,699,372	$28,545,714	$30,305,032	$30,647,572	$30,646,005	$33,158,047	$32,460,486	$31,880,330	$31,497,060
Overall Debt Limitation (%)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5.0% of Estimated Assessed Valuation (Voted and Unvoted Debt Limitation)	1,428,613	1,434,969	1,427,286	1,515,252	1,532,379	1,532,300	1,657,902	1,623,024	1,594,017	1,574,853
Net Indebtedness (Voted and Unvoted)	0	0	0	0	0	0	0	0	0	0
Overall Debt Margin	$1,428,613	$1,434,969	$1,427,286	$1,515,252	$1,532,379	$1,532,300	$1,657,902	$1,623,024	$1,594,017	$1,574,853
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
UNVOTED DEBT LIMITATION:										
Unvoted Debt Limitation - 0.1% of County Assessed Valuation	$28,572	$28,699	$28,546	$30,305	$30,648	$30,646	$33,158	$32,460	$31,880	$31,497
Maximum Aggregate Amount Of Principal and Interest Payable In Any One Calendar Year	(9,421)	(12,311)	(12,005)	(11,998)	(14,506)	(14,755)	(16,618)	(16,586)	(16,365)	(16,365) *
Maximum Annual Debt Service Charges Permitted For New Debt Issuances	($9,421)	($12,311)	($12,005)	($11,998)	($14,506)	($14,755)	($16,618)	($16,586)	($16,365)	($16,365)

*Not available for 2009. Amount for 2008 has been used.

TABLE 9

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	POPULATION (1)	ASSESSED VALUE (2)	GENERAL BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	BONDED DEBT PER CAPITA
2000	1,394	$28,572,250	$96,370	0.34%	$69.13
2001	1,380	28,699,372	123,030	0.43	89.15
2002	1,379	28,545,714	126,193	0.44	91.51
2003	1,364	30,306,032	120,262	0.40	88.17
2004	1,351	30,647,572	152,529	0.50	112.90
2005	1,336	30,646,005	144,841	0.48	108.41
2006	1,314	33,158,047	161,080	0.48	122.58
2007	1,296	32,460,486	151,473	0.47	116.88
2008	1,284	31,880,330	176,340	0.55	137.34
2009	1,276	31,497,060	166,328	0.53	130.35

Sources:
(1) Estimates – Various Sources.
(2) Cuyahoga County Auditor's Office, Budget Commission – Collection Year Data

TABLE 10

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2009
(UNAUDITED)

	GROSS DEBT	DEBT SERVICE FUND	NET DEBT	PERCENT APPLICABLE (3)	AUTHORITY SHARE
Greater Cleveland Regional Transit Authority	$166,328	$0	$166,328	100%	$166,328
County of Cuyahoga (1)	336,472	20,179	316,293	100	316,293
Cuyahoga County Cities, Villages, Townships (1)	1,121,721	39,179	1,082,542	100	1,082,542
Cuyahoga County School Districts (2)	812,314	77,332	734,982	100	734,982
Total Net Direct and Overlapping Debt					$2,300,145

(1) 2009 Tax Budgets filed in July, 2009 and certified unencumbered 2009 balances filed in January, 2010 with Cuyahoga County Budget Commission. Budgetary basis.

(2) Cuyahoga County School Districts file on fiscal year ended June 30, 2009. Budgetary basis.

(3) Percent applicable to the Authority calculated using assessed valuation of the portion within the County divided by the assessed valuation of the taxing district. Assessed valuation of taxing districts furnished by Cuyahoga County Budget Commission.

TABLE 11

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

(UNAUDITED)

YEAR	GROSS REVENUES (1)	EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
2000	$223,965	$220,270	$3,695	$3,835	$5,672	$9,507	.39
2001	219,194	231,137	(11,943)	4,198	5,637	9,835	(1.21)
2002	214,737	211,564	3,173	5,544	6,064	11,608	.27
2003	222,401	228,854	(6,453)	5,931	5,816	11,747	(0.55)
2004	233,887	220,068	13,819	6,173	4,465	10,638	1.30
2005	238,331	231,566	6,765	7,687	6,698	14,385	.47
2006	244,324	228,845	15,479	8,802	6,981	15,783	.98
2007	250,816	239,166	11,650	9,607	7,012	16,619	.70
2008	253,398	255,974	(2,576)	9,968	7,194	17,162	(0.15)
2009	259,092	256,569	2,523	10,012	7,700	17,712	0.14

(1) Total revenues include interest and other non-operating revenues.
(2) Total expenses exclusive of depreciation, loss on disposal of assets and interest expense.

TABLE 12

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS
(UNAUDITED)

YEAR	COUNTY POPULATION (1)	MSA	PERSONAL INCOME (IN THOUSANDS)	PER CAPITA PERSONAL INCOME
2000	1,393,978	1,863,479	*	*
2001	1,380,421	1,856,399	*	*
2002	1,379,049	1,859,472	*	*
2003	1,363,888	1,848,348	$ 30,686,116	$ 22,499
2004	1,351,009	1,842,749	31,750,063	23,501
2005	1,335,317	1,830,011	31,936,777	23,917
2006	1,314,241	1,812,162	32,421,011	24,669
2007	1,295,958	1,794,211	33,344,999	25,730
2008	1,283,925	1,783,918	32,464,044	25,285
2009	1,275,709	1,783,918	33,353,412	26,145

AGE DISTRIBUTION (2)

	NUMBER	PERCENTAGE
Under 5 years	90,996	6.5%
5 – 9 yrs	101,372	7.3
10 – 14 yrs	99,235	7.1
15 – 19 yrs	89,960	6.5
20 – 24 yrs	77,515	5.6
25 – 34 yrs	188,873	13.5
35 – 44 yrs	219,449	15.7
45 – 54 yrs	187,601	13.5
55 – 59 yrs	65,599	4.7
60 – 64 yrs	56,217	4.0
65 – 74 yrs	107,327	7.7
75 – 84 yrs	82,469	5.9
85 yrs and over	27,365	2.0
TOTAL	1,393,978	100.0%
Median age		37
Males		658,481
Females		735,497

DISTRIBUTION OF FAMILIES BY INCOME BRACKET (Average 3.06 persons) (3)

INCOME (2)	NUMBER	PERCENTAGE
$0 – 14,999	$ 40,279	11.3%
$15,000 – 24,999	38,075	10.7
$25,000 – 49,999	101,299	28.4
$50,000 – 99,999	123,948	34.8
$100,000 -199,999	41,701	11.7
OVER $200,000	10,919	3.1
TOTAL	$ 356,221	100.0%
MEDIAN FAMILY INCOME	$ 49,559	

* Not available.

Source:
(1) Ohio Department of Development – The Metropolitan Statistical Area (MSA), as defined by the Department of Development, includes Lake, Geauga, Medina, and Cuyahoga Counties. Population totals for 2003 are estimates provided by the U. S. Census Bureau.
(2) U. S. Census Bureau, Census 2000
(3) U. S. Census Bureau. Census 2000

(continued)

TABLE 12

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS
LAST TEN YEARS (Continued)

EMPLOYMENT-ANNUAL AVERAGE (1):

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Civilian Labor Force	691,000	692,600	669,700	675,400	664,600	669,600	663,400	657,800	645,600	620,700
Total Employed*	659,900	661,700	624,900	629,600	623,700	629,000	626,700	617,900	601,800	565,000
Total Unemployed	311,000	31,000	44,000	45,800	40,900	40,600	36,700	39,900	43,800	55,700
Unemployment Rate	4.5%	4.5%	6.7%	6.8%	6.2%	6.1%	5.5%	6.1%	6.8%	9.0%

EMPLOYMENT BY SECTOR (1):
(Amounts in 000's)

	MANUFACTURING		WHOLESALE RETAIL TRADE		PROFESSIONAL AND RELATED SERVICES		FEDERAL, STATE AND LOCAL GOVERNMENT **		FINANCE, INSURANCE, REAL ESTATE		TRANSPORTATION AND PUBLIC UTILITIES		OTHER		TOTAL	
YEAR	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
2000	128.8	16.0	189.3	23.6	264.4	32.9	83.9	10.4	68.4	8.5	34.8	4.3	34.7	4.3	804.3*	100.0
2001	121.4	15.3	182.4	23.0	262.3	33.0	88.4	11.1	70.3	8.9	35.8	4.5	33.1	4.2	793.7*	100.0
2002	96.5	12.4	118.5	15.3	320.5	41.2	102.7	13.2	68.3	8.8	23.4	3.0	47.6	6.1	777.5*	100.0
2003	90.8	11.9	117.4	15.3	319.0	41.6	100.6	13.1	69.4	9.1	23.6	3.1	45.3	5.9	766.1*	100.0
2004	89.2	11.7	113.4	14.9	320.7	42.2	99.3	13.1	69.4	9.1	23.7	3.1	45.0	5.9	760.7*	100.0
2005	86.7	11.4	109.7	14.5	326.9	43.2	99.2	13.1	68.2	9.0	23.4	3.1	43.1	5.7	757.2*	100.0
2006	85.9	11.3	108.9	14.4	332.0	43.8	98.9	13.1	65.9	8.7	23.6	3.1	42.5	5.6	757.7*	100.0
2007	81.4	10.9	107.9	14.4	335.3	44.7	98.4	13.1	61.1	8.1	24.1	3.2	41.8	5.6	750.0*	100.0
2008	79.8	10.9	105.6	14.4	330.0	44.9	98.2	13.3	57.1	7.8	23.5	3.2	40.5	5.5	734.7*	100.0
2009	65.8	9.6	97.3	14.1	319.1	46.4	95.9	13.9	53.9	7.8	21.2	3.1	35.1	5.1	688.3*	100.0

Sources:

(1) Ohio Bureau of Employment Services

* Difference due to non-County residents employed in County.
** Federal employment was included beginning in 2003

(Concluded)

TABLE 13

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL EMPLOYERS

2009 AND 2000

2009

Employer	Naure of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	32,000	5.7%
U.S. Office of Personnel Management	Federal Government	13,489	2.4
University Hospitals Health System	Health Care	12,970	2.3
Giant Eagle Inc.	Grocery Store Chain	10,319	1.8
State of Ohio	State Government	10,201	1.8
Cuyahoga County	County Government	8,956	1.6
Progressive Corporation	Insurance	8,795	1.6
City of Cleveland	Municipal Government	8,232	1.5
United States Postal Service	U. S. postal service	8,195	1.5
Summa Health System	Health Care Provider	8,079	1.4
	Total	121,236	19.7%
	Total County Employment	565,000	

2000

Employer	Naure of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	20,891	3.0%
University Hospitals Health System	Health Care	15,312	2.3
Cuyahoga County	County Government	10,461	1.6
U.S. Office of Personnel Management	Federal Government	9,962	1.5
Cleveland Municipal School District	Public School District	9,773	1.5
City of Cleveland	Municipal Government	8,653	1.3
Ford Motor Company	Automotive	7,935	1.2
KeyCorp	Financial Services	7,700	1.2
U.S. Postal Service	U.S. Mail	6,055	0.9
National City Corporation	Financial Services	5,481	0.8
	Total	102,223	15.3%
	Total County Employment	659,900	

Sources: Crain's Cleveland Business - Book of Lists 2009 and March 13, 2001
Ohio Bureau of Employment Services

TABLE 14

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING STATISTICS (1)
LAST TEN YEARS
(UNAUDITED)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
SYSTEM RIDERSHIP:										
Motor Bus	51,591,534	47,100,582	45,157,626	48,768,342	44,969,751	44,533,491	44,577,504	46,335,972	46,623,903	38,214,315
Heavy Rail	7,340,705	8,232,176	7,186,189	7,372,472	7,282,845	7,472,908	7,029,344	7,306,663	7,639,381	4,491,171
Light Rail	4,318,399	4,444,545	3,057,728	3,160,523	2,560,710	3,089,707	2,844,207	3,198,883	3,261,923	2,365,851
Demand Responsive	310,894	281,191	323,976	248,427	297,087	335,970	343,443	481,112	385,310	410,770
AVERAGE WEEKDAY SYSTEM RIDERSHIP:										
Motor Bus	170,191	165,203	152,444	157,764	162,303	166,238	166,754	164,548	166,364	142,631
Heavy Rail	18,736	19,132	17,052	15,824	17,331	18,733	18,892	20,397	20,914	17,816
Light Rail	13,654	13,093	10,699	9,300	9,395	9,506	10,030	11,044	11,432	9,804
Demand Responsive	1,209	1,140	1,103	1,080	1,343	1,530	1,550	1,661	1,778	1,867
AVERAGE WEEKDAY MILES OPERATED:										
Motor Bus	91,626	89,600	85,427	85,585	81,972	86,751	80,134	79,029	71,674	65,803
Heavy Rail	3,854	3,823	3,582	3,529	5,002	3,566	3,593	3,584	3,443	5,381
Light Rail	2,749	2,656	2,628	2,647	3,150	2,661	2,459	2,446	2,464	2,380
Demand Responsive	7,092	6,765	6,768	6,576	6,129	7,941	8,200	9,259	8,072	12,752
REVENUE MILES:										
Motor Bus	23,523,043	23,000,048	21,898,961	21,353,812	20,471,913	21,698,089	20,377,376	20,204,755	18,664,990	17,042,385
Heavy Rail	2,064,918	1,989,332	1,773,310	2,191,748	2,397,243	2,373,093	1,960,534	2,112,786	2,046,862	1,789,025
Light Rail	1,202,173	1,144,240	860,336	954,081	1,011,795	1,005,741	869,868	805,600	799,595	756,929
Demand Responsive	1,785,104	1,757,197	1,577,180	1,610,609	1,688,026	2,023,190	2,081,941	2,368,174	2,106,558	3,395,154
PASSENGER MILES:										
Motor Bus	198,957,849	179,985,792	171,543,310	189,098,115	293,338,619	210,122,020	215,657,817	178,890,562	174,137,020	132,223,514
Heavy Rail	54,008,892	61,606,818	53,955,185	50,159,652	47,439,898	49,849,158	29,481,680	53,399,727	54,293,150	31,419,638
Light Rail	24,851,765	25,525,892	18,063,245	18,678,884	15,198,796	18,302,619	16,548,377	19,212,211	19,271,305	13,642,884
Demand Responsive	1,926,818	1,308,376	1,398,185	1,359,841	1,864,993	2,264,463	2,356,610	2,576,273	2,856,607	4,187,788

(Continued)

TABLE 14

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ENERGY CONSUMPTION:										
Motor Bus										
(gallons of fuel)	4,993,462	4,426,598	3,985,709	4,110,242	4,449,490	4,793,246	5,266,709	5,393,502	5,322,578	4,998,777
(lbs. of natural gas)	1,940,307	2,114,755	1,470,492	1,834,515	1,593,424	1,390,926	1,064,151	434,773	230,813	55,495
Heavy Rail										
(kilowatt hours)	28,337,880	27,400,794	27,558,604	28,820,459	30,572,901	29,381,337	28,047,493	29,758,170	28,414,691	26,150,410
Light Rail										
(kilowatt hours)	17,427,148	14,446,957	12,339,510	11,537,966	11,340,326	10,383,138	11,964,612	12,542,075	11,422,839	11,286,050
Demand Responsive										
(gallons of fuel)	230,579	243,577	994,962	222,370	247,010	271,723	283,029	318,960	307,883	463,192
FLEET REQUIREMENT DURING PEAK HOURS:										
Motor Bus	619	614	544	548	544	518	514	522	469	424
Heavy Rail	28	28	22	22	22	22	22	22	22	22
Light Rail	25	25	15	17	17	17	17	17	17	17
Demand Responsive	81	77	66	75	62	75	68	74	73	122
TOTAL ACTIVE VEHICLES DURING PERIOD:										
Motor Bus	753	731	738	701	686	654	663	620	556	506
Heavy Rail	60	60	60	60	60	60	60	60	60	60
Light Rail	47	48	48	48	48	48	48	48	48	48
Demand Responsive	81	77	82	76	74	75	77	77	86	129
NUMBER OF EMPLOYEES:	3,052	2,830	2,753	2,644	2,597	2,643	2,644	2,653	2,577	2,374

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

(Concluded)

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING INFORMATION-CAPITAL ASSETS
FISCAL YEAR 1999 THROUGH FISCAL YEAR 2008 (IN THOUSANDS)
(UNAUDITED)

YEAR	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Capital Assets Not Being Depreciated										
Land	$ 18,388	$ 18,394	$ 18,842	$ 20,901	$ 21,352	$ 27,454	$ 32,365	$ 32,903	$ 34,665	$ 38,563
Construction in Progress	40,850	56,348	83,416	46,474	67,548	63,169	92,090	141,258	19,680	25,671
Total Capital Assets Not Being Depreciated	59,238	74,742	102,258	67,375	88,900	90,623	124,455	174,161	54,345	64,234
Capital Assets Being Depreciated:										
Infrastructure	38,526	40,604	41,985	46,670	52,702	54,316	54,339	55,883	58,189	62,285
Right of Ways	217,740	230,090	238,765	240,718	248,327	251,540	251,668	266,911	270,116	272,712
Building, Furniture & Fixtures	364,669	366,379	370,381	386,376	387,749	421,230	429,803	439,884	442,177	445,019
Transportation and Other Equipment	298,017	308,136	322,119	376,079	367,305	373,103	389,577	398,111	419,449	430,335
Bus Rapid Transit	0	0	0	0	0	0	0	0	157,845	162,440
Total Capital Assets Being Depreciated	918,952	945,209	973,250	1,049,843	1,056,083	1,100,189	1,125,387	1,160,789	1,347,776	1,372,791
Less Accumulated Depreciation:										
Infrastructure	4,480	4,863	5,363	6,095	6,933	7,991	9,127	10,298	11,481	12,715
Right of Ways	85,130	92,415	98,557	104,822	111,026	117,220	123,437	129,861	136,439	143,051
Building, Furniture & Fixtures	101,298	112,126	124,037	136,235	148,662	159,165	172,464	185,914	199,129	212,919
Transportation and Other Equipment	198,700	214,089	222,545	221,089	224,555	230,721	242,346	264,318	274,720	288,002
Bus Rapid Transit	0	0	0	0	0	0	0	0	557	4,119
Total Accumulated Depreciation:	389,608	423,493	450,502	468,241	491,176	515,097	547,374	590,391	622,326	660,806
Net Capital Assets Being Depreciated	529,344	521,716	522,748	581,602	564,907	585,092	578,013	570,398	725,450	711,985
Net Capital Assets, End of Year	$ 588,582	$ 596,458	$ 625,006	$ 648,977	$ 653,807	$ 675,715	$ 702,468	$ 744,559	$ 779,795	$ 776,219

Note: Prior to 2002, Infrastructure was combined with Right of Ways under Capital Assets Being Depreciated. Also, Accumulated Depreciation was shown as total and not allocated to individual asset types. Years 1998-2001 were updated to report these items on a proportionate basis

TABLE 16

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

FAREBOX RECOVERY PERCENTAGE
LAST TEN YEARS
(UNAUDITED)

YEAR	PERCENTAGE
2000	20.2%
2001	18.7
2002	18.9
2003	17.4
2004	17.6
2005	17.4
2006	18.5
2007	18.7
2008	19.5
2009	20.9

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

FARE STRUCTURE
DECEMBER 31, 2009

Cash Fares (Effective 09/01/09)	
Bus	$2.25
Rapid	$2.25
Park-N-Ride Bus	$2.50
Trolley/Loop/Circulator	$1.50
Senior/Disabled	$1.00
Paratransit	$2.25
Out-of-County	$2.50

Farecards - 5 Ride (Effective 09/01/09	
Bus/Rapid	$11.25
Park-N-Ride Bus	$12.50
Trolley/Loop/Circulator	$7.50
Senior/Disabled	$5.00

Monthly Passes (Effective 09/01/09)	
Bus/Rapid	$85.00
Park-N-Ride Bus	$95.00
Senior/Disabled	$38.00

7 Day Passes (Effective 09/01/09)	
Bus/Rapid	$22.50
Park-N-Ride Bus	$25.00
Senior/Disabled	$10.00

All Day Passes (Effective 10/27/08)	
Individual	$5.00
Senior/Disabled/Child	$2.50

Note: The prices above reflect a $0.50 per ride fuel surcharge.

Student ticket are $1.75 per trip and are only available through local schools.

Children under 6 yrs. of age with adult-up to three children - Ride Free

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Greater Cleveland Regional Transit Authority
1240 West Sixth Street
Cleveland, Ohio 44113-1331

rideRTA.com

The Greater Cleveland Regional Transit Authority

Single Audit Reports
December 31, 2009

The Greater Cleveland Regional Transit Authority

For the Year Ended December 31, 2009

Table of Contents

Ciuni & Panichi
CPAs and Business Advisors

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Greater Cleveland Regional Transit Authority

We have audited the financial statements of the Greater Cleveland Regional Transit Authority ("the Authority") as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010, wherein we noted that the Authority adopted *GASB Statement Nos. 52, 55, and 56*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
C&P Wealth Management, LLC

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Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Trustees, management, the Auditor of State's office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ciuni & Panichi, Inc.

Cleveland, Ohio
June 18, 2010

Ciuni &
Panichi
CPAs and Business Advisors

Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Board of Trustees
Greater Cleveland Regional Transit Authority

Compliance

We have audited the compliance of the Greater Cleveland Regional Transit Authority (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

As described in items 2009-1 and 2009-2 in the accompanying schedule of findings, the Authority did not comply with requirements regarding Reporting that are applicable to its Federal Transit Administration Capital Improvement Grants passed through the Ohio Department of Transportation and the Federal Transit Administration Highway Planning and Construction Grants passed through the Ohio Department of Transportation. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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Board of Trustees
Greater Cleveland Regional Transit Authority

Internal Control over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2009-1 and 2009-2 to be material weaknesses.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Authority's responses and, accordingly, we express no opinion on the responses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Authority, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 18, 2010, which contained an unqualified opinion on those financial statements, wherein we noted the Authority adopted *GASB Statement Nos. 52, 55, and 56*. Our audit was performed for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Trustees, management, the Auditor of State's office, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ciuni & Panichi, Inc.

Cleveland, Ohio
September 28, 2010

Greater Cleveland Regional Transit Authority

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation:			
Federal Transit Cluster/Direct Programs:			
Federal Transit Administration Capital and Operating Assistance Formula Grants	20.507	N/A	$ 33,036,552
ARRA - Capital and Operating Assistance Formula Grant	20.507	N/A	7,527,418
Federal Transit Administration Capital Improvement Grants	20.500	N/A	30,731,373
ARRA - Capital Improvement Grant	20.500	N/A	4,093,098
Total Federal Transit Cluster/Direct Programs			75,388,441
Passed Through Ohio Department of Transportation:			
Federal Transit Administration Capital Improvement Grant	20.500	OH-03-0184	566,950
Federal Transit Administration Capital Improvement Grant	20.500	OH-04-0035	125,112
Total Passed Through Ohio Department of Transportation			692,062
Job Access and Reverse Commute	20.516	N/A	1,145,836
New Freedom Program	20.516	N/A	50,252
Total U.S. Department of Transportation			77,276,591

The accompanying notes are an integral part of this schedule.

Greater Cleveland Regional Transit Authority

Schedule of Expenditures of Federal Awards (continued)

For the Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Federal Highway Administration:			
Passed Through U.S. Department of Transportation:			
Federal Transit Administration Highway Planning and Construction Grants	20.205	N/A	164,058
Passed Through Ohio Department of Transportation:			
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-95-X018	1,000,022
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-95-X024	1,324,723
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-90-X520	5,126,924
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-90-X551	743,335
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-03-0195	2,525
ARRA – Job Access and Reverse Commute	20.205	15962	405,437
Demonstration Operating Assistance – Healthline	20.205	15854	1,930,603
Fuel Initiative	20.205	15568	7,834,734
Total Passed Through Ohio Department of Transportation			18,368,303
Total Federal Highway Administration			18,532,361
Total Expenditures of Federal Awards			$ 95,808,952

The accompanying notes are an integral part of this schedule.

Greater Cleveland Regional Transit Authority

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2009

Note 1 – Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards ("Schedule") reflects the expenditures of the Greater Cleveland Regional Transit Authority under programs financed by the U.S. government for the year ended December 31, 2009. The Schedule has been prepared in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

For purposes of the Schedule, federal awards include all grants, contracts, loans, and loan guarantee agreements entered into directly between the Authority and agencies and departments of the federal government. Expenditures for federal award programs are recognized on the accrual basis of accounting.

Greater Cleveland Regional Transit Authority

Schedule of Findings
OMB Circular A-133 Section .505

December 31, 2009

1. Summary of Auditors' Results

(d)(I)(i)	Type of Financial Statement Opinion	Unqualified
(d)(I)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(I)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(I)(iii)	Was there any material reported noncompliance at the financial statement level (GAGAS)?	No
(d)(I)(iv)	Was there any material internal control weakness conditions reported for major federal programs?	Yes
(d)(I) (iv)	Were there any other significant control deficiencies reported for major federal programs?	No
(d)(I) (v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	Yes

Greater Cleveland Regional Transit Authority

Schedule of Findings (continued)
OMB Circular A-133 Section .505

December 31, 2009

1. Summary of Auditors' Results

(d)(I)(vii)	Major Program	**Federal Transit Cluster/Direct and Pass Through Programs:** Capital and Operating Assistance Formula Grants, CFDA #20.507 *ARRA* - Capital and Operating Assistance Formula Grants, CFDA #20.507 Federal Transit Administrative Capital Improvement Grants, CFDA #20.500 Federal Transit Administrative Capital Improvement Grants Passed Through Ohio Department of Transportation, CFDA #20.500 *ARRA* - Capital Improvement Grants, CFDA # 20.500 **Federal Highway Administration:** Highway Planning and Construction Grants, CFDA #20.205 Federal Transit Administration Highway Planning and Construction Grants, CFDA # 20.205 *ARRA* - Job Access and Reverse Commute, CFDA #20.205 Demonstration Operating Assistance – Healthline, CFDA #20.205 Fuel Initiative, CFDA #20.205
(d)(I)(viii)	Dollar Threshold: Type A/B Programs	Type A:>$ 2,869,347 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	Yes

2. Findings Related To the Financial Statements Required To Be Reported in Accordance With GAGAS

None noted.

Greater Cleveland Regional Transit Authority

Schedule of Findings (continued)
OMB Circular A-133 Section .505

December 31, 2009

3. Findings and Questioned Costs for Federal Awards

Findings	Findings Summary
2009-1	***Reporting – Material Weakness*** It was discovered that grant expenditures during the year for the Federal Transit Administration Capital Improvement Grants passed through the Ohio Department of Transportation (CFDA # 20.500) were incorrectly excluded from the Schedule of Expenditures of Federal Awards. This resulted in an audit adjustment to the Schedule of Expenditures of Federal Awards to reflect the proper amount of federal expenditures during the fiscal year. It was noted that similar federal expenditures may have also been excluded from the Schedule of Expenditures of Federal Awards reported for fiscal years 2006 through 2008. We recommend the Authority adopt policies and procedures to ensure that the Schedule of Expenditures of Federal Awards is reviewed for completeness at year-end and is consistent with supporting documentation received for federal expenditures during the year. **Officials Response:** The preparation of the initial Schedule of Expenditures of Federal Awards was consistent with prior years. Going forward, procedures will be implemented to ensure the Schedule of Expenditures of Federal Awards is complete.
2009-2	***Reporting – Material Weakness*** It was discovered that grant expenditures during the year for the Federal Highway Administration Highway Planning and Construction Grants passed through the Ohio Department of Transportation (CFDA #20.205) were incorrectly excluded from the Schedule of Expenditures of Federal Awards. This resulted in an audit adjustment to the Schedule of Expenditures of Federal Awards to reflect the proper amount of federal expenditures during the fiscal year. It was noted that similar federal expenditures may have also been excluded from the Schedule of Expenditures of Federal Awards reported for fiscal years 2006 through 2008. We recommend the Authority adopt policies and procedures to ensure that the Schedule of Expenditures of Federal Awards is reviewed for completeness at year-end and is consistent with supporting documentation received for federal expenditures during the year. **Officials Response:** The preparation of the initial Schedule of Expenditures of Federal Awards was consistent with prior years. Going forward, procedures will be implemented to ensure the Schedule of Expenditures of Federal Awards is complete.

Greater Cleveland Regional Transit Authority

Schedule of Prior Audit Findings
OMB Circular A-133 Section .315(b)

December 31, 2009

None noted.

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Mary Taylor, CPA
Auditor of State

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
OCTOBER 14, 2010

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