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Greater Cleveland Regional Transit Authority

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Cuyahoga County, Ohio

Dave Yost · Auditor of State

Board of Trustees
Greater Cleveland Regional Transit Authority
1240 West Sixth Street
Cleveland, Ohio 44113

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, 2010 through December 31, 2010. 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.

Dave Yost

Dave Yost
Auditor of State

September 26, 2011

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Comprehensive Annual Financial Report
For the Year Ended December 31, 2010

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

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, 2009

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

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, 2009. This was the twenty-second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Greater Cleveland
Regional Transit Authority
Main Office
1240 West 6th Street
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July 6, 2011

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, 2010. This is the twenty-third 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, 2010.

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, 2010. The Independent Auditor's Report is located at the front of the financial section of this report.

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

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

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

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

PROFILE OF GOVERNMENT AND REPORTING ENTITY

The Greater Cleveland Regional Transit Authority is an independent political subdivision of the State of Ohio. It was created in December 1974 by ordinance of the City of Cleveland, Ohio, and by resolution of the Board of County Commissioners of Cuyahoga County, Ohio. Operations at GCRTA began in September 1975. The GCRTA provides virtually all-mass transportation within the County. It is a multimodal system delivering bus, paratransit, heavy rail 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 2,115 employees as of December 31, 2010. The system delivered 15.5 million revenue miles of bus service and 2.2 million revenue miles on its heavy and light rail systems. The service fleet was composed of 492 motor bus coaches, 60 heavy rail cars, 48 light rail cars, and 80 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 2001, 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 2001 to 14.1% in 2010. The professional and related services sector work force has steadily grown from 32.9% of the total workforce since 2001 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 2010 unemployment was between 9.0-10.0%%, compared to the national rate of 11.0%.

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 approximately $31.5 billion.

CURRENT YEAR REVIEW

In 2010, GCRTA began the process of recovering from one of the worst recessions in decades. The financial challenges created in 2008 and 2009 forced GCRTA to make tough decisions. The Authority had to modify service and expenses in order to eliminate a looming deficit. To begin addressing this deficit, the Authority held public hearings on how best to modify public transportation service. More than 1,000 people attended the 10 public hearings. The Authority's goal was to maintain transit stops within a half-mile of as many residents as possible. It also wanted to make sure the service cuts were shared across communities and transit routes. Proximity to alternate transit service was also a consideration. In the end, GCRTA incorporated 13 adjustments to its proposed service cuts based on feedback from the hearings. This 12 percent reduction in service was not enough to eliminate the entire deficit. GCRTA also had to cut three percent of its administrative staff, and close one of the three bus garages.

In addition to these cuts, GCRTA began executing two programs designed to reduce the cost of fuel and energy. The first, the Energy Price Risk Management Program, reduced fuel costs from $17.4 million in 2009 to $8.0 million in 2010. The second, the Energy Management Program, allowed the Authority to lower its costs of electricity by another $1.4 million. Collectively, these and other cost-saving measures reduced GCRTA's yearly operating expenses by $30 million.

On the other side of the ledger, revenues were almost exactly as budgeted. Revenues from the Cuyahoga County sales tax actually finished the year above budget estimates, as signs of the economic recovery were realized with more purchases made during the 3rd and 4th quarters. Unfortunately, a 10 percent drop in fare revenue offset the unexpected 4.3 percent budget gain from sales tax. The decrease was due in large part to lower ridership in the first half of the year, as unemployment in Cuyahoga County peaked at 11 percent.

Tight fiscal management allowed GCRTA to finish the year with an acceptable reserve. The Authority ended the year with a $15 million balance. Achieving a solid positive year-end balance allows GCRTA to ensure that no service cuts will be necessary in 2011.

Additional federal dollars awarded to the Authority through the American Recovery and Reinvestment Act of 2099 (ARRA) allowed several important capital projects to move forward. Chief among the projects was the construction of the Stephanie Tubbs Jones Transit Center (Transit Center). In October 2010, the Transit Center officially opened. Several of Congresswomen Jones's family members were on hand to unveil the $9.3 million center. Located on the outskirts of downtown Cleveland, it now serves more than 500 buses daily. The Transit Center provides a warm safe, and first class waiting environment for its riders.

Another important capital project, the reconstruction of the Puritas/ W 150th Station, was completed in May 2011. This station is one of GCRTA's most heavily used stations, serving both local residents and interstate commuters. The new station has two entry buildings, a pedestrian bridge, elevators, and an expanded parking lot. Recently the Federal Transit Administration recognized this project for stimulating both short and long-term job growth.

Work continued on the East 55th Street Station. When completed, this station serves all three of GCRTA's rail lines. In addition, the Authority received a $10.5 million federal grant for the construction of a new University Circle station.

Along with receiving millions in stimulus funding for Northeast Ohio, GCRTA helped pump nearly $2 million into Cleveland's economy by bringing in the International Bus and Paratransit Conference to Cleveland. More than 1,000 conference attendees toured the city.

In addition, GCRTA attracted transit leaders from around the world interested in the success of the Healthline. Ridership on the line continues to grow along with the development along the route. The Healthline received top honors and was recognized from the American Council of Engineering Companies for its design.

GCRTA was the voice of other transit authorities in Ohio and across the country. It gathered the feedback from thousands of commuters and met with political representatives at all levels of government. While Ohio is dealing with its own budget issues, it must start funding transit at a level comparable to other states.

All the sacrifices and investments made by GCRTA in 2010 are expected to pay big dividends in 2011. Northeast Ohio commuters will be the beneficiaries.

PRESENT AND FUTURE PLANS

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

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

Park-N-Ride Lots - Parking lots are strategically located at freeway or other major intersections. Commuters leave their cars and ride express service to and from their destinations. GCRTA provides more than 8,350 parking spaces at 21 of the rapid transit stations. In addition, the Authority operates five Park-N-Rides lots in Berea, Brecksville, Rocky River, Strongsville, and Westlake with more than 1,200 parking spaces combined. An expansion project, adding 250 additional parking spaces at the Westlake Park-N-Ride Lot, will be under construction in 2011.

Paratransit Facility – The Paratransit Facility was completed in 1983 and houses all Pararansit functions including scheduling, dispatching and both revenue and non-revenue repairs. It is undergoing an 18-month rehabilitation scheduled for completion in mid-2011. Additional work scheduled for 2011, funded from an anticipated Federal State of Good Repair grant, includes various facilities improvements and replacement of equipment.

CAPITAL IMPROVEMENT PLAN

The development of the 2011 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 $491.5 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 - $140.8 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 $55.6 million, overhaul of the heavy rail vehicles of $9.5 million, rehabilitation of the rail tracks of $26.5 million, upgrade of Catenary electrical system of $11.2 million, upgrade of our train control and signal systems of $4.2 million, and the extension of the blue line of $33.8 million.

Local Capital Projects - $9.5 million

Classified as Routine Capital Projects ($4.2 million) and Asset Maintenance Projects ($5.3 million), these initiatives are funded entirely from local resources. Routine Capital Projects are typically equipment requested by various departments and not funded through grants. Asset Maintenance funds are used to maintain, rehabilitate, replace, or construct assets of a smaller scope or cost than those typically supported with grants. These projects are authorized within the Authority's Capital Fund and are supported with annual allocations of sales tax receipts.

Bridge Rehabilitation and Other Improvements - $17.3 million

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

Bus Purchases, Paratransit Vehicles and Circulator Bus- $40.0 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 - $37.4 million

The Authority will be making a significant investment in the construction of Transit Centers over the next five years of $31.9 million. These centers will be designed to provide our riders with convenient connections between local, regional and downtown transit lines. Comfortable waiting areas and time-coordinated service will make it easier for riders to transfer between routes. In addition, the Bus State of Good Repair program will allow the Authority to upgrade its bus garages of $5.5 million.

Equipment and Non-Revenue Vehicle - $9.7 million

This project calls for the upgrade to the radio system of $.4 million, purchase of event recorders for the rail system of $1.9 million, replacement of non-revenue vehicles of $1.7 million, the upgrade of the management information system of $5.1 million and other miscellaneous equipment purchases of $.6 million.

Operating Expenses and Other Expenses - $236. 8million

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 $223.9 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 $0.5 million for planning and $0.3 million for transit security, canine teams.

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.

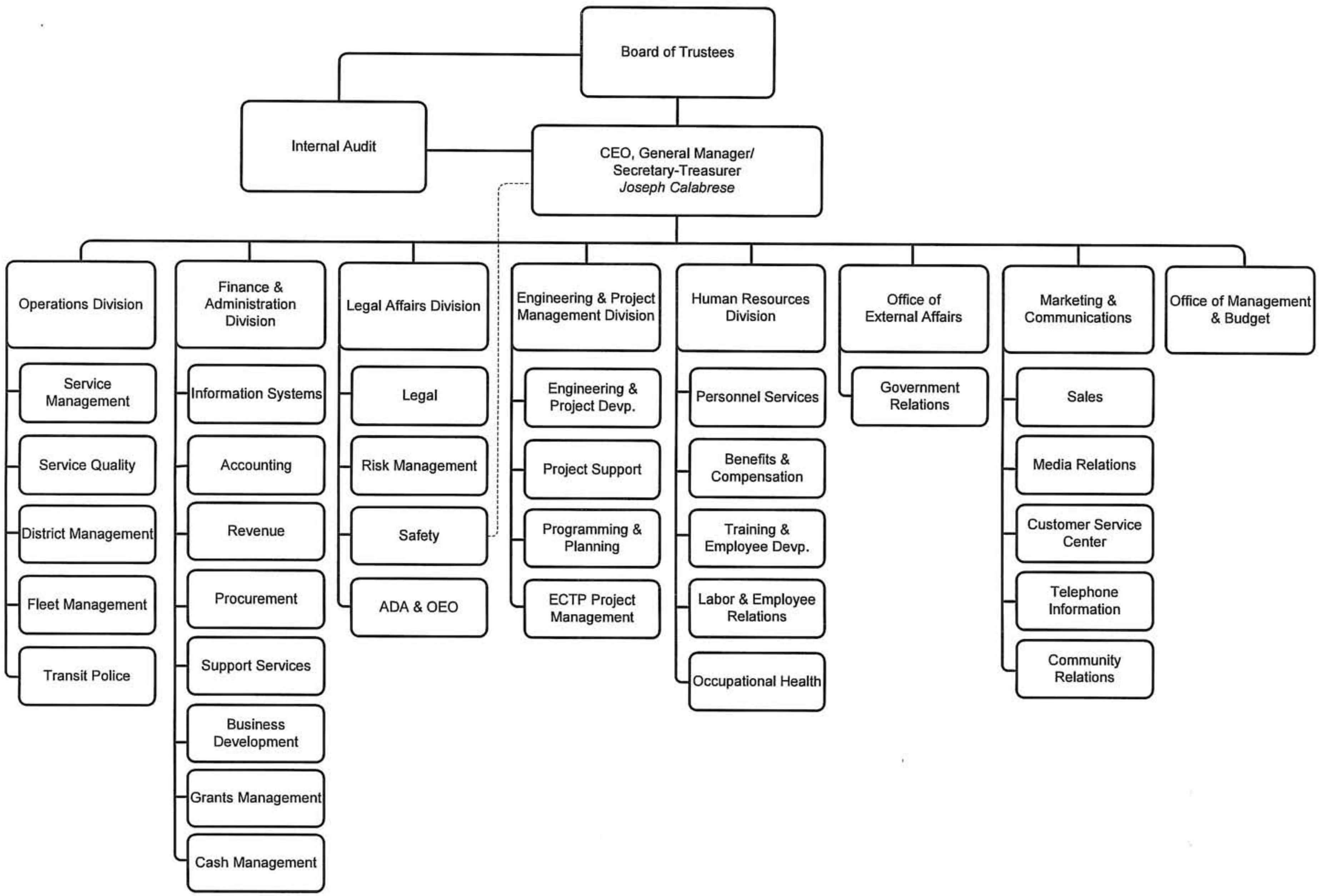
Acknowledgments

The GCRTA expresses thanks to the staff of the Accounting Department directed by Glenn Hendrix, for their work in preparing this report. Pamela Blackwell, Glenville Manning Louis Catalusci, Larry Ferrell and Joseph Ivan assisted with this report. In addition, appreciation goes out to Steven C. Letsky, Director of Accounting and the Cuyahoga County Auditors for providing 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

Chief Executive Officer,
General Manager/Secretary-Treasurer

Bruce Hampton
Deputy General Manager,
Human Resources

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

Stephen J. Bitto
Director,
Marketing & Communications

Gale Fisk
Executive Director,
Office of Management and Budget

Anthony Garofoli
Executive Director,
Internal Audit

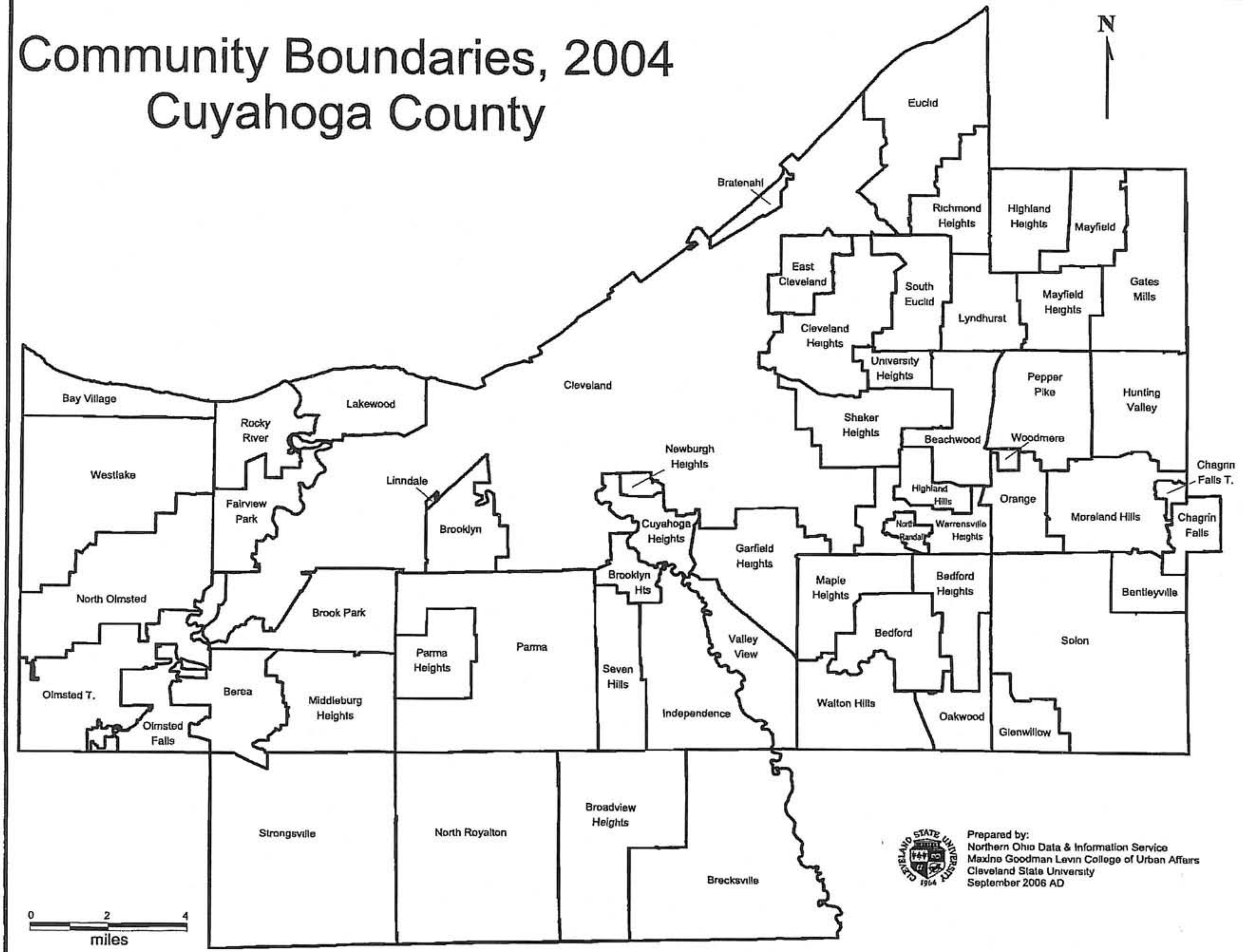
Loretta Kirk
Deputy General Manager,
Finance & Administration

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

Michael York
Deputy General Manager,
Operations

Frank Polivka
Director,
Procurement

Community Boundaries, 2004
Cuyahoga County



Prepared by:
Northern Ohio Data & Information Service
Maxine Goodman Levin College of Urban Affairs
Cleveland State University
September 2006 AD

Ciuni & Panichi
CPAs and Business Advisors

Independent Auditors' Report

Board of Trustees
Greater Cleveland Regional Transit Authority

We have audited the accompanying financial statements of the Greater Cleveland Regional Transit Authority (the "Authority"), as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 audits 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 opinion.

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, 2010 and 2009, 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, 2010, the Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 6, 2011, 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 audit.

C&P Advisors, LLC
Ciuni & Panichi, Inc.
Joel Strom Associates LLC
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Board of Trustees
Greater Cleveland Regional Transit Authority

The management's discussion and analysis on pages 19 through 31 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion 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 express no opinion on them.

Ciuni & Panichi, Inc.

Cleveland, Ohio
July 6, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As the management team for the Greater Cleveland Regional Transit Authority (otherwise known as GCRTA or for the purpose of this report, the Authority), we offer readers of our basic financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended December 31, 2010 and December 31, 2009. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues, as well as, activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements taken as a whole.

Overview of Financial Highlights

- The Authority's net assets increased by $38 million (6.3%) in 2010 compared to 2009. Net assets decreased by $7.3 million (1.2%) in 2009 compared to 2008.

- Current assets increased by $10.8 million (10.3%) in 2010 compared to 2009. Current assets decreased $6.8 million (6.1%) in 2009 compared to 2008.

- Current liabilities decreased by $9.3 million (15.3%) in 2010 compared to 2009. Current liabilities increased by $4.8 million (8.5%) for 2009 compared to 2008.

- The Authority's non-current liabilities decreased by $15.8 million (7.2%) in 2010 compared to 2009. Non-current liabilities decreased by $13.9 million (5.9%) in 2009 compared to 2008.

Basic Financial Statements and Presentation

The financial statements presented by the Authority are;

1. the Comparative Balance Sheets
2. the Comparative Statements of Revenues, Expenses, and the Changes in Net Assets
3. 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 they are received. Expenses are recognized when they are incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. Land is capitalized but is not deprecitated.

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

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

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

The basic financial statements can be found beginning on page 32 of this report.

FINANCIAL ANALYSIS OF THE AUTHORITY

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

	December 31, 2010	December 31, 2009	December 31, 2008
Assets:			
Current assets	$ 115.6	$ 104.8	$ 111.6
Other noncurrent assets	19.6	10.2	16.2
Capital assets (net of accumulated depreciation)	769.3	776.2	779.8
Total assets	$ 904.5	$ 891.2	$ 907.6
Liabilities:			
Current liabilities	$ 51.8	$ 61.1	$ 56.3
Noncurrent liabilities	204.5	220.3	234.2
Total liabilities	256.3	281.4	290.5
Net assets:			
Invested in capital assets, net of related debt	588.5	574.8	575.0
Restricted	16.3	18.7	21.7
Unrestricted	43.4	16.3	20.4
Total net assets	648.2	609.8	617.1
Total liabilities and net assets	$ 904.5	$ 891.2	$ 907.6

Net assets serves as a useful indicator of financial position. The Authority's assets exceeded liabilities by $648.2 million as of December 31, 2010, which is a $38.4 million increase from year ending, December 31, 2009. The year ending, December 31, 2009, assets exceeded liabilities by $609.8 million, which was a decrease of $7.3 million from year ending, December 31, 2008.

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

During the year of 2010, major construction projects totaling $16.3 million were completed and transferred to the appropriate property and facilities account. Major projects of the year 2010 included:

1.) A portion of the LRV Overhaul, with a cost of $10.6 million, and
2.) Stephanie Tubbs Jones Transit Center, with a cost of $5.7 million

The construction in progress balance included in the year ending December 31, 2010, are costs associated with a portion of the following;

1.) the Puritas Street Rapid Transit Reconstruction
2.) the East 55th Street Station Rehabilitation
3.) the University-Cedar Station Design, and
4.) various other projects

During the year of 2009, major construction projects totaling \$10.5 million were completed and transferred to the appropriate property and facilities account. Major projects of the year 2009 included:

1.) a portion of the LRV Overhaul, with a cost of \$2.7 million
2.) Track over Delmont, Hower and Auburndale Rehabilitation, with a cost of \$3.9 million
3.) Westpark Substation Replacement, with a cost of \$2.3 million, and
4.) Turnout Reconstruction of Shaker Trunk Line, with a cost of \$1.6 million

The construction in progress balance included in the year ending December 31, 2009, are costs associated with a portion of the following;

1.) LRV Overhaul
2.) Puritas Street Rapid Transit Reconstruction
3.) East 55th Street Station Rehabilitation
4.) East Side Transit Center Design
5.) University-Cedar Station Design, and
6.) various other projects.

Readers desiring more detailed information on the Authority's capital assets activities should read Note 5 - Capital Assets on page 43, which is 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, 2010	2009	2008
Operating revenues:			
Passenger fares	$ 46.9	$ 50.1	$ 47.7
Advertising and concessions	1.0	1.1	1.4
Total operating revenues	47.9	51.2	49.1
Operating expenses, excluding depreciation			
Labor and fringe benefits	(155.2)	(170.5)	(171.7)
Materials and supplies	(23.7)	(35.2)	(36.2)
Services	(11.3)	(11.7)	(10.3)
Utilities	(8.7)	(9.8)	(12.0)
Casualty and liability	(8.3)	(8.9)	(11.9)
Purchased transportation	(4.6)	(4.4)	(4.4)
Leases and rentals	(0.2)	(0.3)	(0.4)
Taxes	(1.4)	(1.7)	(2.0)
Miscellaneous	(3.1)	(2.4)	(3.2)
Total operating expenses before depreciation	(216.5)	(244.9)	(252.1)
Depreciation expense	(48.0)	(50.1)	(45.5)
Total operating expenses	(264.5)	(295.0)	(297.6)
Operating loss	(216.6)	(243.8)	(248.5)
Nonoperating revenues (expenses):			
Sales and use tax revenue	165.0	154.9	168.3
Federal operating grants and reimbursements	34.1	22.5	23.2
State/local operating grants and reimbursements	6.6	15.9	4.7
Federal pass-through grants revenue	4.5	11.6	3.9
Federal pass-through expenses	(4.5)	(11.6)	(3.9)
Investment income	0.4	0.5	2.2
Gain on commodity swap	4.7	0.0	0.0
Interest expense	(8.0)	(8.7)	(8.3)
Other income	1.8	2.5	2.0
Total nonoperating revenues	204.6	187.6	192.1
Net loss before capital grant revenue	(12.0)	(56.2)	(56.4)
Capital grants revenue	50.4	48.9	65.4
Increase in net assets during the year	38.4	(7.3)	9.0
Net assets, beginning of year	609.8	617.1	608.1
Net assets, end of year	$ 648.2	$ 609.8	$ 617.1

FINANCIAL OPERATING RESULTS

Revenues

Ridership and Passenger Fares – Farebox receipts and special transit fares are included within this caption. Passenger fare revenue for the year ending December 31, 2010 decreased by $3.2 million (6.3%) compared with that from year ending December 31, 2009. This decrease is a result of the high unemployment in the area which led to a decrease in total ridership from 49.9 million in year ending December 31, 2009 to 44.7 million in year ending December 31, 2010.

Passenger fare revenue for year ending December 31, 2009 increased by $2.2 million (4.5%) compared with that from year ending December 31, 2008, attributable to a full year of fuel surcharges that was included in the total cost of fares paid by passengers implemented in September 2009. This was offset by a decrease in total ridership from 57.9 million in year ending December 31, 2008 to 49.9 million in year ending December 31, 2009.

Sales and Use Tax – The dedicated 1% tax levied in Cuyahoga County is part of the 7.75% overall tax on retail sales which changed from 7% effective July 2003. Sales and use tax revenue accounted for 62.3% of the Authority's revenue for year ending December 31, 2010. Sales and use tax revenue accounted for 59.8% for year ending December 31, 2009, and 66.4% for year ending December 31, 2008.

Revenue received from sales and use tax for year ending December 31, 2010 increased by $10.1 million (6.5%) compared to a $13.4 million (8.0%) decrease in year ending December 31, 2009 from year ending December 31, 2008. The increase is attributable to the increase spending in the economy.

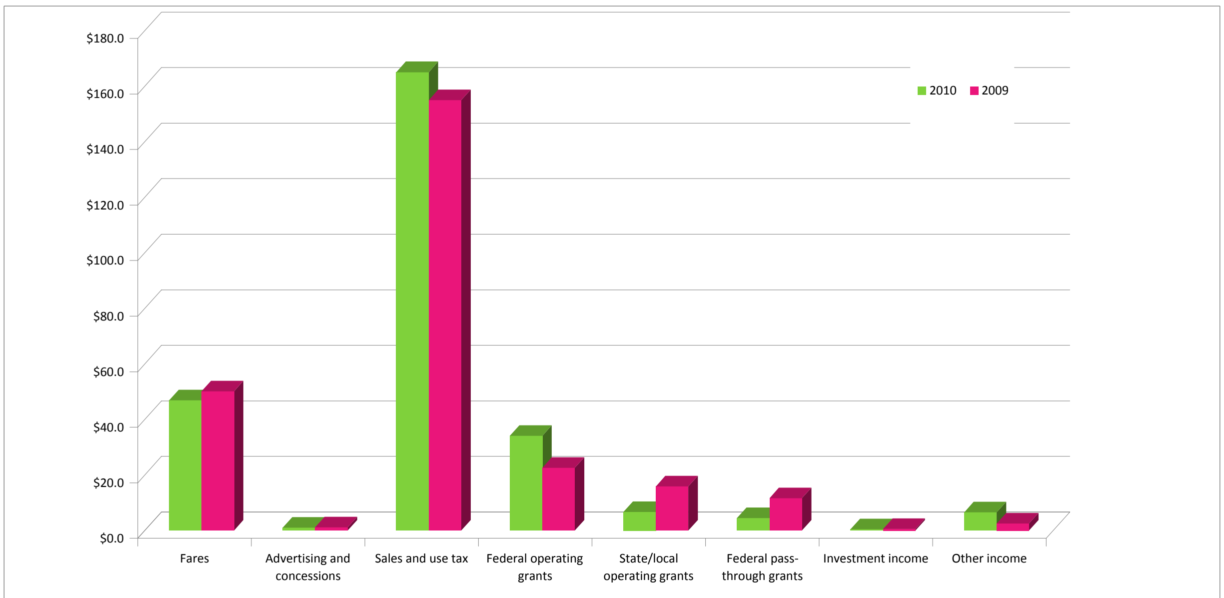
Federal Operating Grants and Reimbursements – The Authority received approximately $34.1 million for year ending December 31, 2010. In year ending, December 31, 2009, the Authority received $22.5 million, and in year ending, December 31, 2008, the Authority received $23.2 million in preventive maintenance reimbursement funds to cover the costs of certain inventory purchases and maintenance costs incurred.

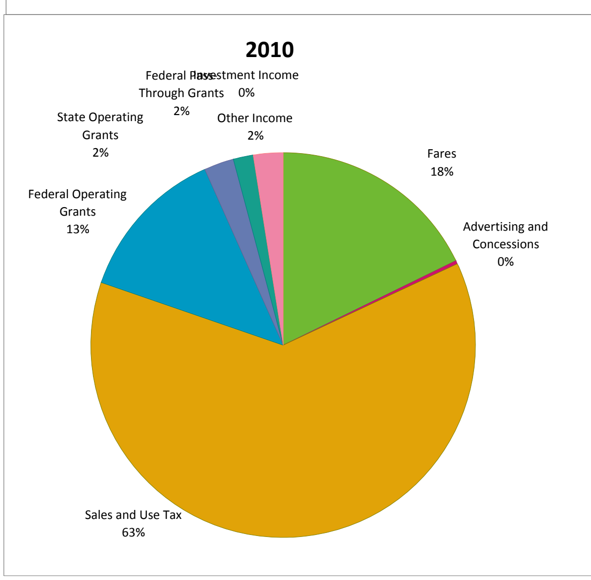
State/Local Operating Grants and Reimbursements – The Ohio Department of Transportation (ODOT) allocates grants for operating assistance and elderly and handicapped programs. This category also includes reimbursement for state fuel taxes paid by the Authority. In year ending December 31, 2010, the Authority received $6.6 million in this category, a 58.6% decrease from year ending December 31, 2009. The Authority received a $11.2 million (238.6%) increase in this category for year ending December 31, 2009 compared to a $0.3 million (7.4%) increase in year ending December 31, 2008. During the of 2009, the Authority received $11.0 million in additional operating assistance that did not occur in the year of 2008.

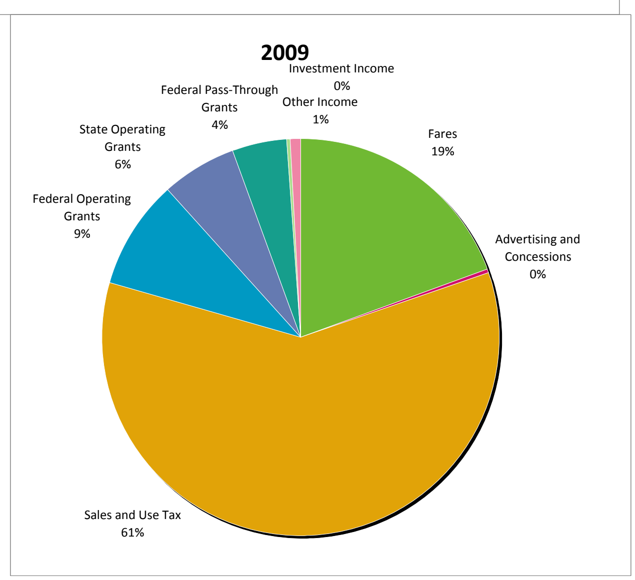
Investment Income – Investment income decreased by $43,342 (9.4%) in year ending December 31, 2010, compared to a decrease of $1.7 million (78.9%) in year ending December 31, 2008. This decrease was a direct result of a lower average investment balance.

REVENUE
Millions of Dollars

	2010	2009	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Fares	$46.9	$50.1	($3.2)	(6.4) %
Advertising and concessions	1.0	1.1	(0.1)	(9.1)
Sales and use tax	165.0	154.9	10.1	6.5
Federal operating grants	34.1	22.5	11.6	51.6
State/local operating grants	6.6	15.9	(9.3)	(58.5)
Federal pass-through grants	4.5	11.6	(7.1)	(61.2)
Investment income	0.4	0.5	(0.1)	(20.0)
Other income	6.5	2.5	4.0	160.0
Total	**$265.0**	**$259.1**	**$5.9**	**2.3** %







Expenses

Labor and Fringe Benefits: The personnel related costs decreased by $15.3 million (9.0%) in year ending December 31, 2010, compared to that of year ending December 31, 2009. During the year of 2010, the number of personnel decreased to 2,115, compared to the number of personnel totaling 2,374 in year ending December 31, 2009, with an decrease in the costs of providing health care benefits. Costs decreased by $1.2 million, (0.70%) in year ending December 31, 2009, compared to the year ending December 31, 2008, due to the decrease in personnel to 2,374 compared to 2,577 in the year ending December 31, 2008, which is offset by an increase in the costs of providing healthcare benefits.

Materials and Supplies: These costs have decreased $11.5 million (32.5%) in the year ending December 31, 2010, compared to the year ending of December 31, 2009. This decrease is due to the diesel fuel commodities program implemented over the years resulting in significant savings in 2010. These costs have decreased $1.0 million (2.72%) in the year ending December 31, 2009 compared to that of the year ending December 31, 2008. This decrease is primary due to the implementation of the fuel hedging program.

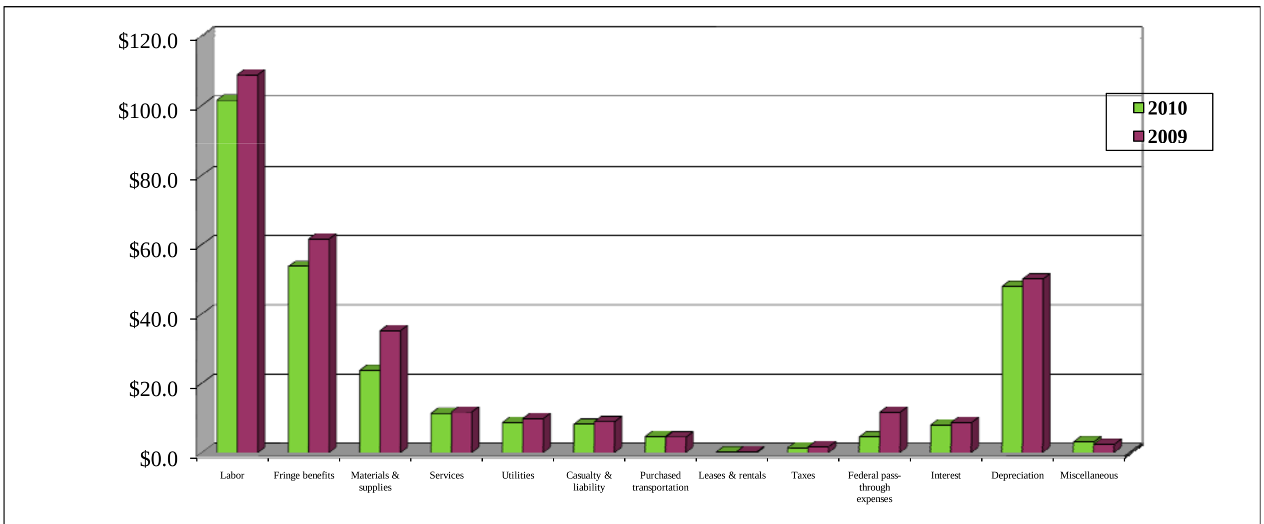
Services: The costs in this category decreased by $.5 million (4.0%) in the year ending December 31, 2010, compared to that of the year ending December 31, 2009. The decrease is due to the decreased costs for workers' compensation administration and maintenance contracts. The costs in this category increased by $1.4 million (13.6%) in the year ending December 31, 2009 compared to that of the year ending December 31, 2008. The increase is due to additional costs for workers' compensation administration and maintenance contracts.

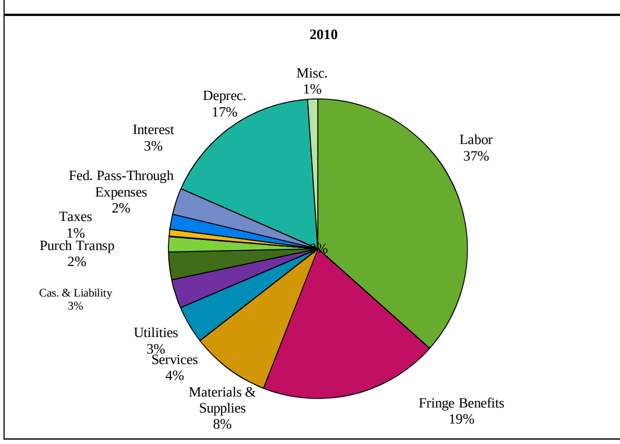
Casualty and Liability: These costs decreased by $.7 million for year ending December 31, 2010 compared to that of year ending December 31, 2009, which was due to higher claims in 2009 versus 2010. These costs decreased by $3.0 million in 2009 compared to 2008 due to higher claims in 2008.Casualty and liability claims are recorded based on actuarial studies performed for both 2010 and 2009.

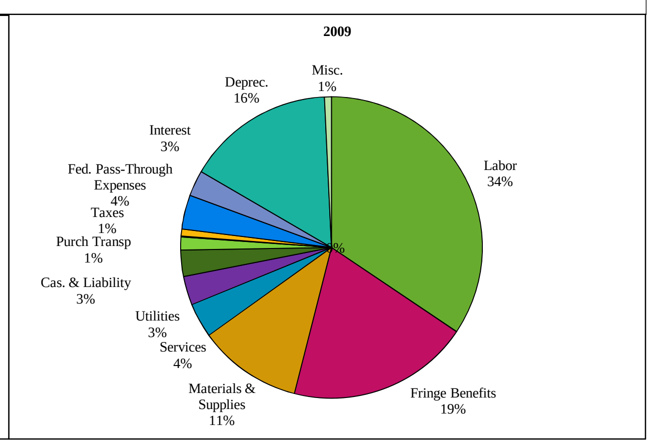
Expenses by Object Class

Millions of Dollars

	2010	2009	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Labor	$101.5	$108.8	($7.3)	(6.7) %
Fringe benefits	53.7	61.7	(8.0)	(13.0)
Materials & supplies	23.7	35.2	(11.5)	(32.7)
Services	11.3	11.7	(0.4)	(3.5)
Utilities	8.7	9.8	(1.1)	(11.2)
Casualty & liability	8.2	8.9	(0.7)	(7.9)
Purchased transportation	4.6	4.4	0.2	4.6
Leases & rentals	0.2	0.3	(0.1)	(33.3)
Taxes	1.4	1.7	(0.3)	(17.7)
Federal pass-through expenses	4.5	11.6	(7.1)	(61.2)
Interest	8.0	8.7	(0.7)	(8.1)
Depreciation	48.0	50.1	(2.1)	(4.2)
Miscellaneous	3.1	2.4	0.7	29.2
Total	**$276.9**	**$315.3**	**($38.4)**	**(12.2) %**



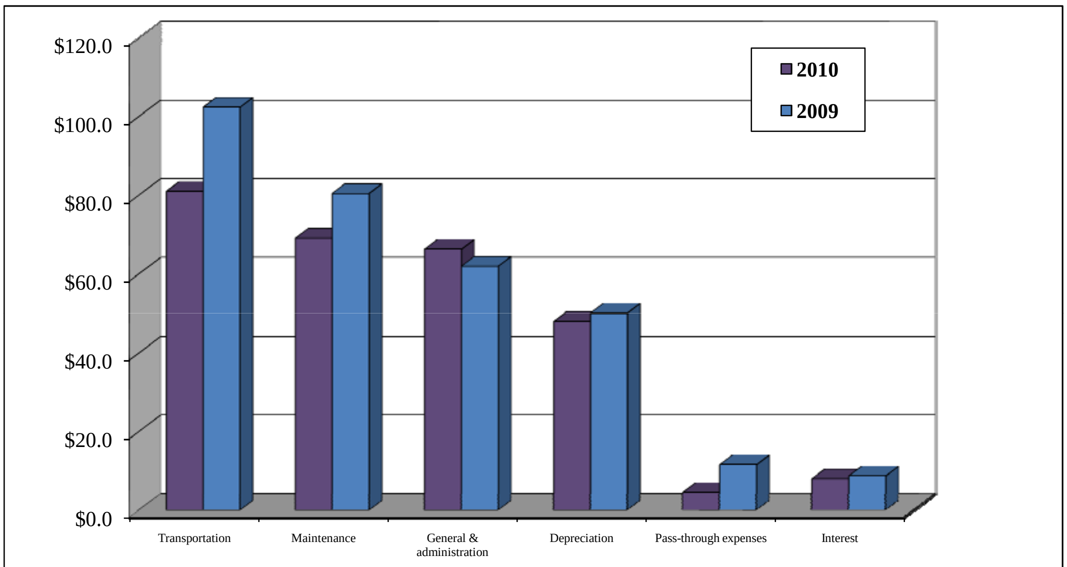


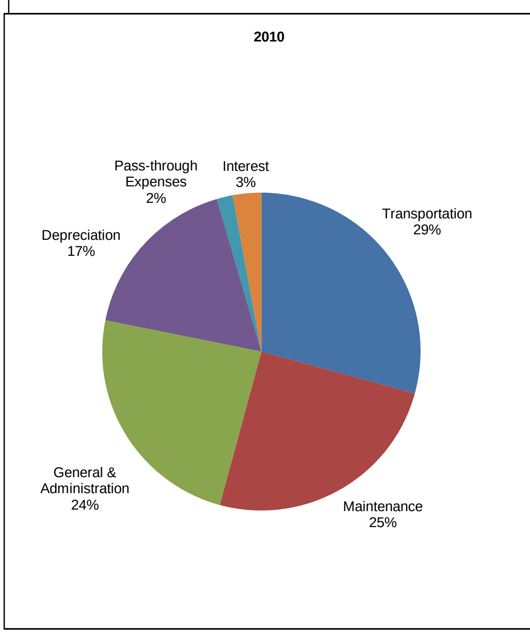


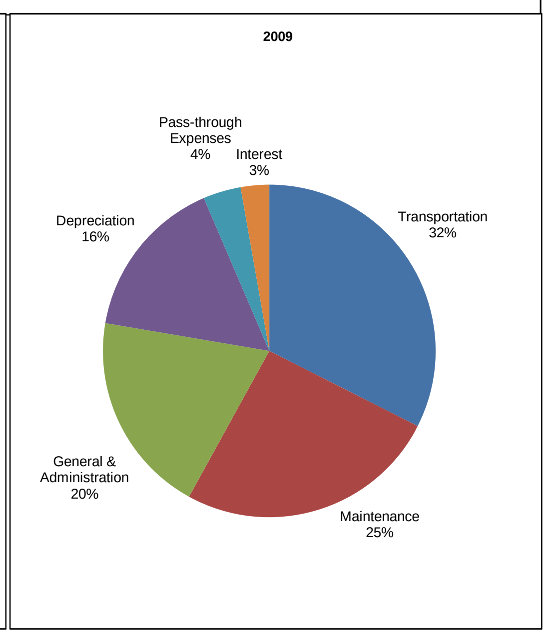
Expenses by Function

Millions of Dollars

	2010	2009	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Transportation	$81.0	$102.4	($21.4)	(20.9) %
Maintenance	69.1	80.5	(11.4)	(14.2)
General & administration	66.3	62.0	4.3	6.9
Depreciation	48.0	50.1	(2.1)	(4.2)
Pass-through expenses	4.5	11.6	(7.1)	(61.2)
Interest	8.0	8.7	(0.7)	(8.0)
Total	**$276.9**	**$315.3**	**($38.4)**	**(12.2) %**







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 a 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 $152.8 million of outstanding capital improvement bonds as of December 31, 2010, of which $31.5 million is non-callable and $121.3 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 6 on page 45 of this report.

Total outstanding bonds and loans as of December 31, 2010 include:

Series	Issue Date	Maturity Date	Original Principal	December 31, 2010 Balance	Average Interest Rate
General Obligation Improvement Bonds					
2001	12/11/01	12/01/2021	$ 29,890,000	$ 1,370,000	5.12%
2004	11/16/04	12/01/2024	67,235,000	50,765,000	4.23%
2006	03/07/06	12/01/2025	38,490,000	34,420,000	4.51%
2008	02/20/08	12/01/2027	35,000,000	34,700,000	4.57%
General Improvement Refunding Bonds					
Series 2002R (12/2002 annually thru 2011)				4,480,000	4.39%
Series 2008R (12/2008 annually thru 2016)				27,025,000	4.01%
Total General Obligation Bonds				152,760,000	
Other- State Infrastructure Bank Loan (annually thru 2014)				2,459,509	4.25%
Total Bonds and Loan				$ 155,219,509	
Deferred Refunding				(898,288)	
Premium				5,624,282	
Long-term Bonds and Loan				$ 159,945,503	

At December 31, 2010, 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 7 on page 47 of this report.

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 is 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, 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.

Request for Information

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

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Balance Sheets

December 31, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash and cash equivalents	$ 19,077,575	$ 9,732,611
Restricted for capital assets:		
Cash and cash equivalents	6,224,075	8,775,291
Investments	22,998,126	19,115,150
Restricted for debt service:		
Cash and cash equivalents	1,784,329	184,752
Investments	0	1,885,696
Receivables:		
Sales and use tax	44,805,924	43,000,238
Trade and accrued interest	712,557	849,125
Naming rights - current portion	250,000	250,000
State capital assistance	475,847	817,934
Federal capital assistance	4,676,439	9,225,890
Federal operating assistance	1,092,416	0
Commodity swap - current portion	272,668	0
Materials and supplies inventory	12,763,312	10,521,262
Deposits	449,621	450,924
Total current assets	115,582,889	104,808,873
Noncurrent assets:		
Investments	11,488,739	2,966,113
Naming rights	5,460,000	5,375,000
Other assets	1,686,350	1,818,437
Commodity swap	966,277	0
Capital assets:		
Land	38,671,150	38,563,380
Infrastructure	62,878,682	62,285,261
Right of ways	272,722,827	272,712,196
Building, furniture and fixtures	454,568,914	445,019,243
Transportation and other equipment	411,981,120	430,334,435
Bus Rapid Transit	162,334,093	162,440,361
Construction-in-process	36,648,651	25,670,340
Total capital assets	1,439,805,437	1,437,025,216
Less accumulated depreciation	(670,456,857)	(660,806,329)
Capital assets – net	769,348,580	776,218,887
Total noncurrent assets and capital assets	788,949,946	786,378,437
Total assets	$ 904,532,835	$ 891,187,310
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 8,074,263	$ 7,917,328
Contracts and other payables	10,846,370	11,590,596
Notes payable	0	8,000,000
Contract retainers	1,343,317	802,609
Interest payable - bonds	793,574	898,060
Current portion - accrued wages and benefits	7,660,075	8,112,776
Current portion - compensated absences	982,521	643,289
Current portion - long-term debt	12,769,378	12,547,028
Current portion - self-insurance liabilities	6,707,105	6,659,986
Current portion - deferred revenue	2,591,268	2,735,357
Current portion - deferred gain from fuel hedging	0	1,188,222
Total current liabilities	51,767,871	61,095,251
Noncurrent liabilities:		
Accrued wages and benefits	0	2,262,596
Compensated absences	10,014,578	9,509,807
Long-term debt	168,045,800	180,874,769
Self-insurance liabilities	12,456,053	12,368,545
Deferred revenue	13,004,233	13,598,088
Deferred gain from fuel hedging	0	651,110
Other long-term liabilities	995,656	1,016,876
Total noncurrent liabilities	204,516,320	220,281,791
Total liabilities	256,284,191	281,377,042
Net assets:		
Invested in capital assets, net of related debt	588,533,402	574,797,090
Restricted for Capital Projects	15,029,226	17,249,843
Restricted for Debt Service	1,240,072	1,450,029
Unrestricted	43,445,944	16,313,306
Total net assets	648,248,644	609,810,268
Total liabilities and net assets	$ 904,532,835	$ 891,187,310

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended December 31, 2010 and 2009

	2010	2009
Operating revenues:		
Passenger fares	$ 46,959,247	$ 50,127,736
Advertising and concessions	968,323	1,115,051
Total operating revenues	47,927,570	51,242,787
Operating expenses:		
Labor and fringe benefits	155,202,300	170,532,772
Materials and supplies	23,734,556	35,185,131
Services	11,245,278	11,717,948
Utilities	8,715,346	9,792,721
Casualty and liability	8,241,230	8,909,581
Purchased transportation	4,622,944	4,443,301
Leases and rentals	226,278	315,624
Taxes	1,372,278	1,703,455
Miscellaneous	3,116,615	2,395,465
Total operating expenses before depreciation	216,476,825	244,995,998
Depreciation expense	47,962,746	50,052,657
Total operating expenses	264,439,571	295,048,655
Operating loss	(216,512,001)	(243,805,868)
Nonoperating revenues (expenses):		
Sales and use tax revenue	165,026,334	154,913,953
Federal operating grants and reimbursements	34,116,768	22,553,158
State/local operating grants and reimbursements	6,578,259	15,875,181
Federal pass-through grants revenue	4,490,993	11,572,945
Investment income	416,996	460,338
Gain on commodity transactions	4,662,468	0
Interest expense	(7,997,480)	(8,711,134)
Federal pass-through expenses	(4,490,993)	(11,572,945)
Other income	1,786,582	2,473,219
Total nonoperating income	204,589,927	187,564,715
Net loss before capital grant revenue	(11,922,074)	(56,241,153)
Capital grants revenue:		
Federal	48,923,285	42,304,204
State	1,437,165	6,693,557
Total capital grant revenue	50,360,450	48,997,761
Increase (decrease) in net assets	38,438,376	(7,243,392)
Net assets, beginning of year	609,810,268	617,053,660
Net assets, end of year	$ 648,248,644	$ 609,810,268

See accompanying notes to financial statements.

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Cash received from customers	$ 48,079,386	$ 51,517,809
Cash payments to suppliers for goods and services	(55,008,406)	(70,741,155)
Cash payments to employees for services	(103,426,604)	(111,816,059)
Cash payments for employee benefits	(53,645,990)	(61,711,230)
Cash payments for casualty and liability	(8,106,603)	(10,025,353)
Net cash used in operating activities	(172,108,217)	(202,775,988)
Cash flows from noncapital financing activities:		
Sales and use taxes received	163,220,648	154,586,220
Grants, reimbursements, and special fare assistance:		
Federal	33,024,352	22,553,158
State and local	6,546,786	16,216,183
Other receipts	982,726	1,669,363
Net cash provided by noncapital financing activities	203,774,512	195,024,924
Cash flows from capital and related financing activities:		
Federal capital grant revenue	53,472,736	36,396,526
State capital grant revenue	1,779,252	9,512,680
Acquisition and construction of capital assets	(41,550,329)	(44,467,540)
Proceeds from new debt	15,000,000	23,000,000
Principal paid on bond maturities and other debt	(35,547,028)	(26,388,111)
Interest paid on bonds and other debt	(8,429,222)	(8,881,922)
Net cash used in capital and related financing activities	(15,274,591)	(10,828,367)
Cash flows from investing activities:		
Purchases of investments	(103,707,904)	(58,895,386)
Proceeds from maturities of investments	93,187,998	50,254,092
Proceeds from commodity transactions	2,104,531	1,388,408
Interest received from investments	416,996	460,338
Net cash used in investing activities	(7,998,379)	(6,792,548)
Net increase (decrease) in cash and cash equivalents	8,393,325	(25,371,979)
Cash and cash equivalents, beginning of year	18,692,654	44,064,633
Cash and cash equivalents, end of year	$ 27,085,979	$ 18,692,654
Noncash investing and capital and related financing activities:		
Increase (decrease) in fair value of investments	$ 18,839	$ (24,560)
Increase (decrease) in capitalized assets due to capitalized costs, recorded contracts payable, recorded retainage payable, and loss on disposal	$ (64,147)	$ (2,199,119)
Increase (decrease) in long-term debt due to deferred refunding costs, premium, and amortization	$ (59,591)	$ (24,705)

See accompanying notes to financial statements.

(Continued)

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

Statements of Cash Flows

(Continued)

Years ended December 31, 2010 and 2009

	2010	2009
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (216,512,001)	$ (243,805,868)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	47,962,746	50,052,657
Amortization-other assets	132,088	131,224
Change in assets and liabilities:		
Decrease in other receivables	136,568	217,522
(Increase) in materials and supplies inventory	(2,242,050)	(673,373)
(Increase) decrease in naming rights	(85,000)	250,000
(Decrease) in deferred revenue	100,383	(192,500)
(Decrease) in accounts payable, accrued compensation, self-insurance liabilities and other	(1,600,951)	(7,086,287)
Net cash used in operating activities	$ (172,108,217)	$ (201,106,625)

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 2010.

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 2010 and 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 2010, approximately 12,100 employees from 560 local organizations participated in the program. 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.

	2010	2009
Beginning Balance	$ 10,153,096	$ 10,711,856
Accrued	1,487,292	63,971
Paid	(643,289)	(622,731)
Ending Balance	$ 10,997,099	$ 10,153,096

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, 2009, the Authority implemented GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not have an impact on the Authority's financial statements.

Effective for periods beginning after June 15, 2009, the Authority implemented GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The impact of this standard, as it applies to the Authority, is related to the futures contracts and commodity swaps the Authority has entered into with a counterparty. See Note 12 for further information.

Effective for periods beginning after June 15, 2010, the Authority implemented GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies.* This statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not have an impact on the Authority's financial statements.

Reclassifications – Certain prior year amounts have been reclassified to conform with the 2010 presentation.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The following is a complete listing of deposits and investments held by the Authority at December 31, 2010:

	2010	2009
Demand deposits	$ 26,906,379	$ 18,510,104
Cash on hand	179,600	182,550
Investments	34,486,865	23,966,959
Total	$ 61,572,844	$ 42,659,613
Demand deposits – bank balance	$ 26,285,447	$ 18,212,652

The deposits and investments of the Authority at December 31, 2010 are reflected in the financial statements as follows:

	2010	2009
Current Assets:		
Cash and cash equivalents	$ 19,077,575	$ 9,732,611
Restricted Assets:		
Cash and cash equivalents	8,008,404	8,960,043
Investments	22,998,126	21,000,846
Noncurrent Assets:		
Investments	11,488,739	2,966,113
Total	$ 61,572,844	$ 42,659,613

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, 2010 $22,686,154 of the Authority's bank balance of $23,436,154 was uninsured and uncollateralized as defined by the GASB. 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. 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, 2010 and 2009, 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, 2010, the Authority's investment maturities were as follows:

Investment	Fair value	Investment maturities in years: Less than one year	Investment maturities in years: One to three years
U.S. Government Agency Securities	$ 9,543,099	$ 2,422,220	$ 7,120,879
Commercial Paper	24,943,766	24,943,766	
Total	$ 34,486,865	$ 27,365,986	$ 7,120,879

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

Investment		Fair value		Investment maturities in in years: Less than one year		One to three years
U.S. Government Agency Securities	$	13,971,359	$	926,648	$	13,044,711
Commercial Paper		9,995,600		9,995,600		0
Total	$	23,966,959	$	10,922,248	$	13,044,711

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, 2010, the credit quality ratings of the Authority's investments were as follows:

Investment		Fair value	Rating	Rating organization
U.S. government agency securities	$	9,543,099	AAA	Moody
Commercial Paper		24,943,766	A	Fitch
	$	34,486,865		

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	$	13,971,359	AAA	S&P/Moody
Commercial Paper		9,995,600	A	Fitch
	$	23,966,959		

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 Abbey National Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Company, Federal National Mortgage Association, Federal Home Loan Mortgage Association and Federal Farm Credit Bank. At December 31, 2010 these investments were 72%, 10%, 5%, 6%, 1%, and 6%, respectively. At December 31, 2009 investments for Ford Credit Auto Receivables Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Company, Federal National Mortgage Association, and Federal Farm Credit Bank were 42%, 21%, 16%, 12% and 9%, respectively, of the Fund's total investments.

4. NAMING RIGHTS

In 2008, the Authority entered into a contract with the Cleveland Clinic Foundation and University Hospitals of Cleveland to secure naming rights of the Euclid Corridor bus rapid transit line. The line has been named "The Healthline. The contract states that the hospitals will pay an amount of $6,250,000 over 25 years. The annual payment for each is $125,000.

In 2009, the Authority entered into a contract with Medical Mutual of Ohio to secure naming rights for one of the Healthline stations. The contract states that Medical Mutual will pay $300,000 over 10 years. The annual payment is $30,000 per year.

A "naming rights receivable" has been recorded, of which there is a current and non-current portion. The current portion of $250,000 represents the amount due in the next year from the hospitals. The long-term portion of revenue has been deferred on the balance sheet.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Balance January 1, 2010	Transfers/ Additions	CIP Transfers/ Disposals	Balance December 31, 2010
Capital Assets Not Being Depreciated:				
Land	$ 38,563,380	$ 107,770	$ 0	$ 38,671,150
Construction in Progress	25,670,340	27,274,717	16,296,406	36,648,651
Total Capital Assets Not Being Depreciated	64,233,720	27,382,487	16,296,406	75,319,801
Capital Assets Being Depreciated:				
Infrastructure	62,285,261	593,421	0	62,878,682
Right of Ways	272,712,196	10,631	0	272,722,827
Building, Furniture & Fixtures	445,019,243	9,549,671	0	454,568,914
Transportation and Other Equipment	430,334,435	20,480,940	38,834,255	411,981,120
Bus Rapid Transit	162,440,361	(106,268)	0	162,334,093
Total Capital Assets Being Depreciated	1,372,791,496	30,528,395	38,834,255	1,364,485,636
Less Accumulated Depreciation:				
Infrastructure	12,715,009	1,329,770	0	14,044,779
Right of Ways	143,051,223	6,631,175	0	149,682,398
Building, Furniture & Fixtures	212,919,109	13,944,569	0	226,863,678
Transportation and Other Equipment	288,002,329	22,448,944	38,312,668	272,138,605
Bus Rapid Transit	4,118,659	3,608,738	0	7,727,397
Total Accumulated Depreciation	660,806,329	47,963,196	38,312,668	670,456,857
Total Capital Assets Being Depreciated, Net	711,985,167	(17,434,801)	521,587	694,028,779
Total Capital Assets, Net	$ 776,218,887	$ 9,947,686	$ 16,817,993	$ 769,348,580

Remaining costs to complete construction projects, as of December 31, 2010, which will extend over a period of several years, total $39.2 million. Approximately $38.9 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. In 2010 the opening of Stephanie Tubbs Jones Transit Center. In 2011 we will complete the Puritas Station and East 55th Street station. For the year ended December 31, 2010, capitalized interest was $267,665.

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

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

6. LONG-TERM DEBT

Long-term bonds, loan and capital lease payable at December 31, 2010 consist of the following:

Issue	Average Interest Rate	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010	Due Within One Year
Series 2001	5.12	$ 2,670,000	$ 0	$ 1,300,000	$ 1,370,000	$ 1,370,000
Series 2002R	4.39	8,760,000	0	4,280,000	4,480,000	4,480,000
Series 2004	4.23	54,115,000	0	3,350,000	50,765,000	3,450,000
Series 2006	4.51	35,390,000	0	970,000	34,420,000	1,010,000
Series 2008	4.57	34,800,000	0	100,000	34,700,000	100,000
Series 2008R	4.01	27,290,000	0	265,000	27,025,000	270,000
Deferred Refunding		(1,320,199)	0	(421,911)	(898,288)	0
Premium		6,105,784	0	481,502	5,624,282	0
SIB Loan		3,303,074	0	843,565	2,459,509	585,470
Total Bonds and Loan Payable		171,113,659	0	11,168,156	159,945,503	11,265,470
Capital Lease Payable		22,308,138	0	1,438,463	20,869,675	1,503,908
Total Long-Term Debt		$ 193,421,797	$ 0	$ 12,606,619	$ 180,815,178	$ 12,769,378

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

Certain bonds maturing after December 31, 2010 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, 2010 is $4,460,000.

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, 2010 is $21,925,000.

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, 2010 is $13,185,000.

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, 2010 is $27,185,000.

The annual requirements to pay principal and interest on the bonds and loan outstanding at December 31, 2010 are as follows:

	Bonds and Loans	
Year	**Principal**	**Interest**
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	14,125,000	4,809,020
2016-2020	49,790,000	15,553,938
2021-2025	33,130,000	5,795,402
2026-2027	5,795,000	408,550
Total	**$ 155,219,509**	**$ 50,918,893**

7. 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, 2010.

Year	Amounts
2011	$ 2,426,108
2012	2,426,108
2013	2,426,108
2014	2,426,108
2015	2,426,108
2016-2020	12,130,538
2021-2024	2,426,108
Total Minimum Lease Payments	26,687,186
Less: Amount Representing Interest	(5,817,511)
Present Value of Minimum Lease Payments	**$ 20,869,675**

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

Capital Assets:	
Transportation and Other Equipment	$9,793,420
Less Accumulated Depreciation:	
Transportation and Other Equipment	(2,452,701)
Capital Assets, Net	$7,340,719

8. NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2010 follows:

Issue	Average Interest Rate	Balance January 1, 2010	Additions	Reductions	Balance December 31, 2010
2009 Revenue Anticipation Notes	3.25%	$ 8,000,000	$ 0	$ 8,000,000	$ 0
2010 Revenue Anticipation Notes	2.00%	0	15,000,000	15,000,000	0
Total Notes Payable		$ 8,000,000	$ 15,000,000	$ 23,000,000	$ 0

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

On February 25, 2010, the Authority issued $15,000,000 in revenue anticipation notes. These notes matured on December 22, 2010.

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

9. 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 $4,622,944 and $4,443,301 in 2010 and 2009, respectively.

10. GRANTS, REIMBURSEMENTS, AND SPECIAL FARE ASSISTANCE

Grants, reimbursements, and special fare assistance are included in the non-operating revenues (expenses) and the capital grant revenue categories on the Statement of Revenues, Expenses, and Changes in Net Assets for the years ended December 31, 2010 and 2009 as follows:

		2010		2009
FEDERAL:				
FTA Capital Grants	$	48,923,285	$	42,304,204
FTA Maintenance Assistance		27,708,913		22,548,372
FTA Operating Grants		6,407,855		4,786
Pass-Through Grants		4,490,993		11,572,945
Total	$	87,531,046	$	76,430,307
STATE:				
ODOT Capital Grants	$	1,437,165	$	6,693,557
ODOT Fuel Tax Reimbursement		1,103,360		1,214,478
ODOT Elderly and Handicapped Grants		653,530		1,378,381
ODOT Operating Grants		4,821,369		13,282,322
Total	$	8,015,424	$	22,568,738

11. CONTINGENCIES

Federal and State Grants – Under the terms of the various grants, periodic audits are required where certain costs could be questioned as not being an eligible expenditure under the terms of the grant. At December 31, 2010, there were no questioned costs that had not been resolved with the applicable federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future.

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

12. FUEL PRICE RISK MANAGEMENT

Pursuant to Ohio Revised Code, Section 9.835(A), (B), and (C) and Section 135.14, the Authority utilizes futures contracts and commodity swaps to manage the volatility of fuel costs. These techniques are traditionally used to limit exposure to price fluctuations. Management recognized that fluctuations in fuel prices could have a negative impact on the Authority's financial affairs. Accordingly, the Authority has utilized both futures contracts and fuel swap agreements to offset against price volatility of diesel fuel in accordance with the Authority's Energy Price Risk Management Policy established by the Board of Trustees. These transactions are completely separate from the physical fuel purchase transactions. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 53, the futures contracts have been categorized as investment derivative instruments. The Authority uses an advisor to help monitor the markets and advise on opportunities.

Futures Contracts – The Authority's Board limits contracts in-place to 90% of projected consumption within a fiscal year. Beginning in January 2009, heating oil #2 futures contracts were utilized to manage price volatility through December 2012. The initial value of each contract is zero. Upon entering into these contracts, the broker requires a margin to be deposited into the account. The account is marked-to-market each night, with cash settlement occurring daily. Depending on the daily adjustment to the account, the Authority may be requested to make an incremental cash deposit the following day (to continue to meet the required margin requirements) or may receive a cash withdrawal from the brokerage account (if the cash balance in the brokerage account exceeds the margin requirement). The outstanding contracts are being reported at fair market value of the investments and are being recorded as a gain on commodity transactions in the amount of $1,318,738 on the Statement of Revenues, Expenses, and Changes in Net Assets.

Fuel Price Swap Agreements – The Authority has also entered into fuel swap agreements or contracts to manage the price volatility of diesel fuel. These agreements require no initial cash investment and only require settlement on specified dates. The Authority entered into four fuel swap agreements in 2010 and nine fuel swap agreements in 2009, which allowed the Authority to plan and manage fuel costs.

Terms: The Authority entered into commodity swap agreements for New York Mercantile Exchange (NYMEX) New York Harbor 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 12/31/10
9/14/2009	12/31/2011	42,000	504,000	$2.1080-$2.2150	$143,144
9/24/2009	4/30/2012	42,000	504,000	$2.0400-$2.1500	247,964
12/9/2009	12/31/2011	42,000	504,000	$2.2800-$2.3900	129,524
12/15/2009	4/30/2012	42,000	504,000	$2.2050-$2.3250	159,230
1/29/2010	6/30/2012	42,000	336,000	$2.2500-$2.2750	128,772
5/7/2010	6/30/2012	84,000	504,000	$2.4300-$2.4500	177,870
5/10/2010	12/31/2012	42,000	504,000	$2.4585-$2.5245	163,506
5/18/2010	6/30/2012	42,000	252,000	$2.3200-$2.3500	88,935
					$1,238,945

Payments 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, 2010, the swap agreements had a fair market value of $1,238,945, which is shown as the line item commodity swap on the balance sheet, and is estimated by a mathematical approximation of the market, derived from a proprietary model as of a given date, and based on certain assumptions regarding past, present and future market conditions.

The derivatives are subject to the following risks:

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

Credit Risk – The Authority is exposed to credit risk in the amount of the derivative's fair value. When the fair value of any derivative has a positive market value, then the Authority is exposed to the actual risk that the counterparty will not fulfill its obligations. As of December 31, 2010, the counterparties had ratings of A3/A-/A- and A3/BBB+/A from Moody's, Standard & Poor's and Fitch, respectively. To mitigate the potential for credit risk, the Authority uses two banks so that no one bank holds all of the commodity swaps.

13. LEASING TRANSACTIONS

On September 30, 2002, the Authority entered into two lease agreements 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.

These lease agreements allow the equity investors to replace the companies specified in the agreements as equity payment undertakers (EPU) in the event that the EPU's financial ratings are downgraded below a specified level. In the event a suitable replacement or federal government assistance cannot be obtained or other mutually acceptable solution cannot be reached, accelerated payment of the liability could be requested. Due to events in the financial markets, the financial ratings of KBC Bank N.V. was downgraded near to the specified level. As such, the Authority has terminated the KBC Bank N.V. portion of the agreement in order to avoid potential liability.

14. 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 2010	Contributions 2009	Contributions 2008
By statutory authority	14.0-17.87%	$ 18,549,573	$ 19,731,394	$ 19,775,681
Less healthcare portion	5.0-5.5%	(6,847,875)	(8,199,083)	(9,697,301)
Required employer contribution		11,701,698	11,532,311	10,078,380
By employees	10.0-11.1%	13,061,915	13,904,298	13,954,107
Total pension contributions		$ 24,763,613	$ 25,436,609	$ 24,032,487

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 2010, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employers contributed at 17.87%. 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 for members in the plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The portion of employer contributions allocated to healthcare for members in the Combined Plan was 4.73% from January 1 through February 28, 2010 and 4.23% from March 1 through December 31, 2010. The OPERS Board of Trustees is also authorized to establish 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, 2010 and 2009 (which is included in the GCRTA's total OPERS contribution) was $6,847,875 and $8,199,083, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees September 9, 2004 was effective January 1, 2007. Member and employer contribution rates for state and local employers increased January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning January 1, 2006 with a final rate increase January 1, 2011. These rate increases allowed 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 2010, there were 1,344 participants in pay status and 1,682 active employees and benefit payments of $79,326. In 2009, there were 1,255 participants in pay status and 2,081active employees and benefit payments of $87,647.

As of December 31, 2010, the Supplemental Pension Fund liability was determined to be $995,656 based on the 2010 actuarial study. The market value of associated assets totaled $1,086,337 and $1,015,907 as of December 31, 2010 and 2009, respectively.

15. 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 $17,284,795 per year. Neither threshold was exceeded.

The Authority is also an authorized self-insured employer in the State of Ohio and administers its own workers' compensation claims. Excess workers' compensation insurance coverage protects the Authority in excess of a self-insured retention of $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, 2010 and 2009, was $5.6 and $4.4 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.

	2010	2009	2008
Balance, Beginning of Year	$ 19,028,531	$ 20,144,303	$ 16,689,655
Incurred Claims	9,111,324	23,647,370	23,351,763
Payments	(8,976,697)	(24,763,142)	(19,897,115)
Balance, End of Year	$ 19,163,158	$ 19,028,531	$ 20,144,303
Due Within One Year	$ 6,707,105	$ 6,659,986	$ 7,050,506

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Invested in Capital Assets, Net of Related Debt	$465,181	$500,149	$529,740	$501,672	$530,319	$539,310	$565,353	$574,960	$574,797	$588,533
Restricted	41,629	22,500	2,000	30,679	9,411	8,825	6,676	21,659	18,700	16,269
Unrestricted	14,673	22,004	17,866	20,220	20,871	35,624	36,060	20,434	16,313	43,446
Total Net Assets	$521,483	$544,653	$549,606	$552,571	$560,601	$583,759	$608,089	$617,053	$609,810	$648,248

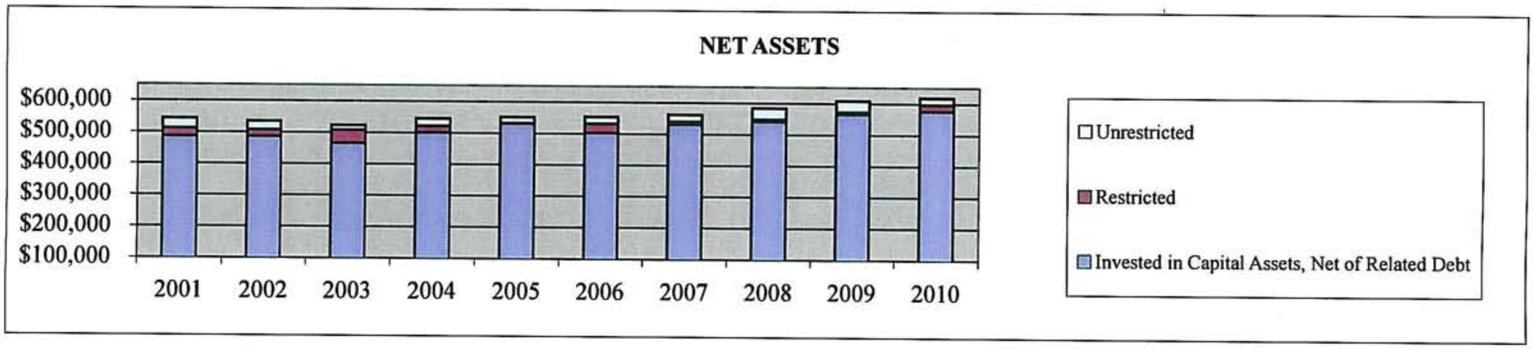


TABLE 2

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Operating Revenues:										
Passenger Fares	$41,042	$38,185	$38,412	$37,578	$38,569	$40,924	$43,230	$47,671	$50,128	$46,959
Advertising and Concessions	2,234	1,737	1,450	2,539	1,658	1,525	1,317	1,382	1,115	968
Total Operating Revenues	43,276	39,922	39,862	40,117	40,227	42,449	44,547	49,053	51,243	47,927
Operating Expenses	231,137	211,564	228,854	220,068	231,566	228,845	238,499	252,035	244,996	216,476
Depreciation Expense	36,251	36,086	39,360	41,610	40,670	43,199	43,458	45,531	50,053	47,963
Operating Loss	(224,112)	(207,728)	(228,352)	(221,561)	(232,009)	(229,595)	(237,410)	(248,513)	(243,806)	(216,512)
Nonoperating Revenues (Expenses)										
Sales and use tax revenue	157,297	157,212	159,050	168,659	167,127	170,477	175,051	168,304	154,914	165,026
Federal Funds	11,818	12,309	21,149	20,406	20,801	20,801	22,625	23,189	22,553	34,117
Other State and Local Funds	4,076	1,605	2,231	3,398	4,623	5,181	4,364	4,689	15,875	6,578
Federal pass-through grants revenue	0	0	0	0	0	0	667,621	3,939	11,573	4,491
Investment Income	1,713	1,535	622	413	1,538	2,782	2,595	2,186	460	417
Gain on Commodity Transactions	0	0	0	0	0	0	0	0	0	4,662
Interest Expense	(5,637)	(6,064)	(5,816)	(4,465)	(6,698)	(7,883)	(6,960)	(8,329)	(8,711)	(7,997)
Federal pass-through expenses	0	0	0	0	0	0	(667,621)	(3,939)	(11,573)	(4,491)
Other Income	1,014	2,154	1,629	1,894	4,014	3,353	1,635	2,037	2,473	1,787
Total Nonoperating Revenues (Expenses)	170,281	168,751	178,865	190,305	191,405	194,711	199,310	192,076	187,564	204,590
Net Loss	(53,831)	(38,977)	(49,487)	(31,256)	(40,604)	(34,884)	(38,100)	(56,437)	(56,242)	(11,922)
Capital Contributions	41,581	62,147	54,440	35,221	48,633	58,762	62,431	65,401	48,998	50,360
Change in Net Assets	($12,250)	$23,170	$4,953	$3,965	$8,029	$23,878	$24,331	$8,964	($7,244)	$38,438

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
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
2010	47,928	165,026	34,117	6,578	417	4,491	6,449	50,360	315,366

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

Note: On this table the Gain on Commodity Transactions is included in Other Income

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
2001	35%	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	21.5	18.3	39.8	41.2	19.0	60.2	100.0
2010	*	*	*	*	*	*	*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

	OPERATING AND OTHER MISCELLANEOUS REVENUE			OPERATING ASSISTANCE			
YEAR	FARES	OTHER(2)	TOTAL	STATE & LOCAL(3)	FEDERAL	TOTAL	TOTAL REVENUES
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
2010	18.4	1.2	19.6	67.1	13.3	80.4	100.0

* Not Available

P Preliminary

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

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

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

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
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
2010	81,013	69,206	66,258	47,963	264,440	7,997	4,491	276,928

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**
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	64.8	11.3	6.6	3.5	2.3	14.0	-2.45	100.0
2010	*	*	*	*	*	*	*	*

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY:

YEAR	LABOR AND FRINGES	MATERIALS AND SUPPLIES	SERVICES	UTILITIES	SELF-INSURANCE CLAIMS	PURCHASED TRANSPORTATION	OTHER	TOTAL OPERATING EXPENSES**
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
2010	72.5	10.0	5.2	4.1	3.8	2.2	2.2	100.0

* Not Available

** Excludes Depreciation and Interest

Source:

(1) The American Public Transit Association, APTA 2010 Public Transportation Fact Book , Table 18

TABLE 7

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL SALES TAX COLLECTIONS BY INDUSTRY

2010 and 2006*

2010

Industry	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$20,335,975	12.32%
Miscellaneous Store Retailers	17,476,357	10.59
Information (including telecommunications)	15,143,351	9.18
General Merchandise Stores	14,643,737	8.87
Accommodation and Food Services	12,995,998	7.88
Building Material and Garden Equipment & Supplies	9,308,831	5.64
Finance and Insurance	7,248,632	4.39
Clothing and Clothing Accessories Stores	6,783,966	4.11
Health and Personal Care Stores	6,281,865	3.81
Administrative and Support Services; Waste Management and Remediation Services	6,185,129	3.75
Total	$116,403,841	70.54%
Total Sales Tax Collection	$165,026,334	

2006

Industry	Amounts Collected	Percentage of Total
Motor Vehicle and Parts Dealers	$22,187,422	13.01%
Miscellaneous Store Retailers	21,327,990	12.51
General Merchandise Stores	16,832,367	9.87
Information (Including Telecommunications)	14,788,748	8.67
Accommodation and Food Services	12,817,129	7.52
Building Material and Garden Equipment and Supplies	11,872,208	6.96
Administrative and Support Services; Waste Management and Remediation Services	6,864,163	4.03
Health and Personal Care Stores	6,645,638	3.9
Clothing and Clothing Accessories Stores	6,545,480	3.84
Real Estate, and Rental and Leasing of Property	6,172,503	3.62
Total	$126,053,648	73.94%
Total Sales Tax Collection	$170,476,647	

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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OVERALL DEBT LIMITATION:										
Total Of All GCRTA Debt Outstanding	$129,782	$124,857	$120,262	$152,529	$144,841	$161,080	$151,473	$176,340	$166,328	$155,220
Exempt Debt	129,782	124,857	120,262	152,529	144,841	161,080	151,473	176,340	166,328	155,220
Net Indebtedness (Voted and Unvoted)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Assessed Valuation Of County - (Collection Year)	$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	$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)	1,434,969	1,427,286	1,515,252	1,532,379	1,532,300	1,657,902	1,623,024	1,594,017	1,574,853	1,574,853
Net Indebtedness (Voted and Unvoted)	0	0	0	0	0	0	0	0	0	0
Overall Debt Margin	$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	$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	$28,699	$28,546	$30,305	$30,648	$30,646	$33,158	$32,460	$31,880	$31,497	$31,497
Maximum Aggregate Amount Of Principal and Interest Payable In Any One Calendar Year	(12,311)	(12,005)	(11,998)	(14,506)	(14,755)	(16,618)	(16,586)	(16,365)	(16,365)	(18,377)
Maximum Annual Debt Service Charges Permitted For New Debt Issuances	($12,311)	($12,005)	($11,998)	($14,506)	($14,755)	($16,618)	($16,586)	($16,365)	($16,365)	($18,377)

*Not available for 2010. Amount for 2009 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
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
2010	1,280	31,497,060 *	155,220	0.49	121.27

Sources:
(1) Estimates – Various Sources.
(2) Cuyahoga County Auditor's Office, Budget Commission – Collection Year Data
*Not available for 2010. Amount for 2009 has been used.

TABLE 10

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	GENERAL OBLIGATION BONDS	STATE INFRASTRUCTURE LOAN	CAPITAL LEASE	NOTES	TOTAL DEBT	PERCENTAGE OF PERSONAL INCOME*	BONDED DEBT PER CAPITA*
2001	$123,030	$6,752	$0	$0	$129,782	*	$94.04
2002	126,193	6,353	0	0	132,546	*	96.12
2003	120,262	5,938	0	0	126,200	4.11%	92.52
2004	152,529	5,504	0	0	158,033	4.98	116.97
2005	144,841	5,051	0	0	149,892	4.69	112.28
2006	161,080	4,580	0	0	165,660	5.11	126.07
2007	144,841	4,088	25,000	0	173,929	5.22	134.31
2008	176,340	3,575	23,684	0	203,599	6.27	158.57
2009	166,328	3,303	22,308	8,000	199,939	5.99	156.69
2010	155,220	2,460	20,870	0	178,550	5.35	139.49

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

	PERSONAL INC	POPULATION
2001	*	1,380
2002	*	1,379
2003	30,686	1,364
2004	31,750	1,351
2005	31,937	1,335
2006	32,421	1,314
2007	33,345	1,295
2008	32,464	1,284
2009	33,353	1,276
2010	33,353	1,280

*Not available

TABLE 11

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
DECEMBER 31, 2010
(UNAUDITED)

	GROSS DEBT	DEBT SERVICE FUND	NET DEBT	PERCENT APPLICABLE (3)	AUTHORITY SHARE
Greater Cleveland Regional Transit Authority	$155,220	$0	$155,220	100%	$155,220
County of Cuyahoga (1)	319,447	14,084	305,363	100	305,363
Cuyahoga County Cities, Villages, Townships (1)	1,097,566	41,304	1,056,262	100	1,056,262
Cuyahoga County School Districts (2)	961,497	81,613	879,884	100	879,884
Total Net Direct and Overlapping Debt					$2,396,729

(1) 2010 Tax Budgets filed in July, 2010 and certified unencumbered 2010 balances filed in January, 2011 with Cuyahoga County Budget Commission. Budgetary basis.

(2) Cuyahoga County School Districts file on fiscal year ended June 30, 2010. 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 12

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

(UNAUDITED)

YEAR	GROSS REVENUES (1)	EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	PRINCIPAL	INTEREST	TOTAL	COVERAGE
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
2010	265,006	220,968	44,038	11,108	7,565	18,673	2.36

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

TABLE 13

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS
(UNAUDITED)

YEAR	COUNTY POPULATION (1)	MSA	PERSONAL INCOME (IN THOUSANDS)	PER CAPITA PERSONAL INCOME
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
2010	1,280,122	1,775,884	33,353,412 *	26,055 *

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

* Fiscal year 2010 data not completely available, computed using all or some FY 2009 data

(continued)

TABLE 13

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

DEMOGRAPHIC STATISTICS
LAST TEN YEARS (Continued)

EMPLOYMENT-ANNUAL AVERAGE (1):

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total Civilian Labor Force	692,600	669,700	675,400	664,600	669,600	663,400	657,800	645,600	620,700	628,700
Total Employed*	661,700	624,900	629,600	623,700	629,000	626,700	617,900	601,800	565,000	574,300
Total Unemployed	31,000	44,000	45,800	40,900	40,600	36,700	39,900	43,800	55,700	54,400
Unemployment Rate	4.5%	6.7%	6.8%	6.2%	6.1%	5.5%	6.1%	6.8%	9.0%	8.6%

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	%
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
2010 ***	65.8	9.6	97.3	14.1	319.1	46.4	95.9	13.9	53.9	7.8	21.2	3.1	35.1	5.1	688.3*	100.0

Sources:

(1) Ohio Bureau of Employment Services

* Difference due to non-County residents employed in County.
** Federal employment was included beginning in 2003
*** Fiscal Year 2010 data not available, Fiscal Year 2009 used

(Concluded)

TABLE 14

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

PRINCIPAL EMPLOYERS

2010 AND 2000

2010

Employer	Naure of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	34,000	6.0%
U.S. Office of Personnel Management	Federal Government	14,843	2.6
University Hospitals Health System	Health Care	13,224	2.3
State of Ohio	State Government	9,932	1.8
Progressive Corporation	Insurance	8,900	1.6
Cuyahoga County	County Government	8,036	1.4
Summa Health System	Health Care Provider	8,000	1.4
United States Postal Service	U. S. postal service	7,641	1.4
City of Cleveland	Municipal Government	7,580	1.3
Cleveland Municipal School District	Education	7,385	1.3
	Total	119,541	21.2%
	Total County Employment	565,000 *	

2001

Employer	Naure of Business	Employees	Percentage of Total County Employment
Cleveland Clinic Health System	Health Care	20,891	3.2%
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	5,513	0.8
	Total	102,255	15.5%
	Total County Employment	661,700	

Sources: Crain's Cleveland Business - Book of Lists 2010 and March 13, 2002
Ohio Bureau of Employment Services

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

OPERATING STATISTICS (1)
LAST TEN YEARS
(UNAUDITED)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SYSTEM RIDERSHIP:										
Motor Bus	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	35,895,427
Heavy Rail	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	3,657,501
Light Rail	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	2,315,662
Demand Responsive	281,191	323,976	248,427	297,087	335,970	343,443	481,112	385,310	410,770	550,711
AVERAGE WEEKDAY SYSTEM RIDERSHIP:										
Motor Bus	165,203	152,444	157,764	162,303	166,238	166,754	164,548	166,364	142,631	122,662
Heavy Rail	19,132	17,052	15,824	17,331	18,733	18,892	20,397	20,914	17,816	11,405
Light Rail	13,093	10,699	9,300	9,395	9,506	10,030	11,044	11,432	9,804	7,592
Demand Responsive	1,140	1,103	1,080	1,343	1,530	1,550	1,661	1,778	1,867	1,769
AVERAGE WEEKDAY MILES OPERATED:										
Motor Bus	89,600	85,427	85,585	81,972	86,751	80,134	79,029	71,674	65,803	51,308
Heavy Rail	3,823	3,582	3,529	5,002	3,566	3,593	3,584	3,443	5,381	4,657
Light Rail	2,656	2,628	2,647	3,150	2,661	2,459	2,446	2,464	2,380	1,995
Demand Responsive	6,765	6,768	6,576	6,129	7,941	8,200	9,259	8,072	12,752	15,322
REVENUE MILES:										
Motor Bus	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	13,310,980
Heavy Rail	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	1,518,079
Light Rail	1,144,240	860,336	954,081	1,011,795	1,005,741	869,868	805,600	799,595	756,929	675,426
Demand Responsive	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	4,285,442
PASSENGER MILES:										
Motor Bus	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	136,352,946
Heavy Rail	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	25,889,384
Light Rail	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	13,611,220
Demand Responsive	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	3,940,975

(Continued)

TABLE 15

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
ENERGY CONSUMPTION:										
Motor Bus										
(gallons of fuel)	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	3,882,866
(lbs. of natural gas)	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)	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	24,000,051
Light Rail										
(kilowatt hours)	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	12,975,110
Demand Responsive										
(gallons of fuel)	243,577	994,962	222,370	247,010	271,723	283,029	318,960	307,883	463,192	531,510
FLEET REQUIREMENT DURING PEAK HOURS:										
Motor Bus	614	544	548	544	518	514	522	469	424	322
Heavy Rail	28	22	22	22	22	22	22	22	22	22
Light Rail	25	15	17	17	17	17	17	17	17	17
Demand Responsive	77	66	75	62	75	68	74	73	122	102
TOTAL ACTIVE VEHICLES DURING PERIOD:										
Motor Bus	731	738	701	686	654	663	620	556	506	405
Heavy Rail	60	60	60	60	60	60	60	60	60	60
Light Rail	48	48	48	48	48	48	48	48	48	48
Demand Responsive	77	82	76	74	75	77	77	86	129	120
NUMBER OF EMPLOYEES:	2,830	2,753	2,644	2,597	2,643	2,644	2,653	2,577	2,374	2,115

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

(Concluded)

TABLE 16

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

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

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Capital Assets Not Being Depreciated										
Land	$ 18,394	$ 18,842	$ 20,901	$ 21,352	$ 27,454	$ 32,365	$ 32,903	$ 34,665	$ 38,563	$ 38,671
Construction in Progress	56,348	83,416	46,474	67,548	63,169	92,090	141,258	19,680	25,671	36,649
Total Capital Assets Not Being Depreciated	74,742	102,258	67,375	88,900	90,623	124,455	174,161	54,345	64,234	75,320
Capital Assets Being Depreciated:										
Infrastructure	40,604	41,985	46,670	52,702	54,316	54,339	55,883	58,189	62,285	62,879
Right of Ways	230,090	238,765	240,718	248,327	251,540	251,668	266,911	270,116	272,712	272,723
Building, Furniture & Fixtures	366,379	370,381	386,376	387,749	421,230	429,803	439,884	442,177	445,019	454,569
Transportation and Other Equipment	308,136	322,119	376,079	367,305	373,103	389,577	398,111	419,449	430,335	411,981
Bus Rapid Transit	0	0	0	0	0	0	0	157,845	162,440	162,334
Total Capital Assets Being Depreciated	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	1,364,486
Less Accumulated Depreciation:										
Infrastructure	4,863	5,363	6,095	6,933	7,991	9,127	10,298	11,481	12,715	14,045
Right of Ways	92,415	98,557	104,822	111,026	117,220	123,437	129,861	136,439	143,051	149,682
Building, Furniture & Fixtures	112,126	124,037	136,235	148,662	159,165	172,464	185,914	199,129	212,919	226,864
Transportation and Other Equipment	214,089	222,545	221,089	224,555	230,721	242,346	264,318	274,720	288,002	272,139
Bus Rapid Transit	0	0	0	0	0	0	0	557	4,119	7,727
Total Accumulated Depreciation:	423,493	450,502	468,241	491,176	515,097	547,374	590,391	622,326	660,806	670,457
Net Capital Assets Being Depreciated	521,716	522,748	581,602	564,907	585,092	578,013	570,398	725,450	711,985	694,029
Net Capital Assets, End of Year	$ 596,458	$ 625,006	$ 648,977	$ 653,807	$ 675,715	$ 702,468	$ 744,559	$ 779,795	$ 776,219	$ 769,349

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

TABLE 17

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

FAREBOX RECOVERY PERCENTAGE
LAST TEN YEARS
(UNAUDITED)

YEAR	PERCENTAGE
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
2010	22.4

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

FARE STRUCTURE
DECEMBER 31, 2010

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

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, 2010

The Greater Cleveland Regional Transit Authority

For the Year Ended December 31, 2010

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, 2010, and have issued our report thereon dated July 6, 2011, wherein we noted that the Authority adopted *GASB Statement Nos. 51, 53, and 58*. 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
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Joel Strom Associates LLC
C&P Wealth Management, LLC

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Board of Trustees
Greater Cleveland Regional Transit Authority

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
July 6, 2011

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on 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 Greater Cleveland Regional Transit Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2010. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. 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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-01 and 2010-02.

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Board of Trustees
Greater Cleveland Regional Transit Authority

Internal Control over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine the 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.

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.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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, 2010, and have issued our report thereon dated July 6, 2011, wherein we noted the Authority adopted *GASB Statement Nos. 51, 53, and 58*. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken 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
July 6, 2011

Greater Cleveland Regional Transit Authority

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2010

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	$ 32,771,218
ARRA - Capital Improvement Grant	20.507	OH-96-0030	1,952,995
ARRA - Capital Improvement Grant	20.507	OH-96-0027	20,001,884
ARRA – Capital Improvement Grant	20.507	OH-77-0001	605,986
Federal Transit Administration Capital Improvement Grants	20.500	N/A	21,747,094
ARRA - Capital Improvement Grant	20.500	OH-56-0002	3,881,612
Total Federal Transit Cluster/Direct Programs			80,960,789
Job Access and Reverse Commute	20.516	OH-37-4059	424,707
New Freedom Program	20.521	OH-57-0022	110,321
Total U.S. Department of Transportation			81,495,817
Department of Homeland Security:			
Passed Through Ohio Emergency Management Agency:			
ARRA – Rail and Transit Security Grant Program	97.113	2009-RA-R1-0097	369,322
Direct Program:			
National Explosives Detection Canine Team Program	97.072	HSTS0209HCAN673	28,932
Total Department of Homeland Security			398,254

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, 2010

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through/ Entity Identifying Number	Federal Expenditures
Federal Highway Administration:			
Federal Transit Administration Highway Planning and Construction Grants	20.205	OH-12-0001	28,016
Passed Through Ohio Department of Transportation:			
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-95-X018	543,411
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-95-X024	85,074
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-90-X520	82,865
Federal Transit Administration Highway Planning and Construction Grant	20.205	0018-520-062	95,986
Federal Transit Administration Highway Planning and Construction Grant	20.205	OH-90-X551	106,189
Federal Transit Administration Highway Planning and Construction Grant	20.205	0018-363-061	283
Federal Transit Administration Highway Planning and Construction Grant	20.205	78840	1,000,000
Federal Transit Administration Highway Planning and Construction Grant	20.205	7004	3,755
ARRA – Job Access and Reverse Commute	20.205	15962	1,553,496
Demonstration Operating Assistance – Healthline	20.205	15854	1,069,397
Fuel Initiative	20.205	15568	1,197,548
Total Passed Through Ohio Department of Transportation			5,738,004
Total Federal Highway Administration			5,766,020
Total Expenditures of Federal Awards			$ 87,660,091

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, 2010

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, 2010. 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.

Greater Cleveland Regional Transit Authority

Schedule of Findings and Questioned Costs
OMB Circular A-133 Section .505

For the Year Ended December 31, 2010

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?	No
(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	Unqualified
(d)(I)(vi)	Are there any reportable findings under Section .510?	Yes

Greater Cleveland Regional Transit Authority

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

For the Year Ended December 31, 2010

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 Improvement Grants, CFDA #20.507 Federal Transit Administrative Capital Improvement Grants, CFDA #20.500 *ARRA* – Capital Improvement Grants, CFDA # 20.500 **Federal Highway Administration:** 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:>$ 2,629,803 Type B: All Others
(d)(I)(ix)	Low Risk Auditee?	No

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 and Questioned Costs (continued)
OMB Circular A-133 Section .505

For the Year Ended December 31, 2010

3. Findings and Questioned Costs for Federal Awards

Findings Number 2010-01

CFDA Title and Number	Federal Transit Administration – *ARRA* – Capital Improvement Grant, #20.507; OH-96-0027
Federal Award Year	2010
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

Allowable Activities – Questioned Costs

It was discovered that the Authority prepared a duplicative request for reimbursement in the amount of $529,981 for labor and fringe benefits related to a Federal Transit Administration (FTA) ARRA Capital Improvement Grant (CFDA No. 20.507).

We recommend the Authority adopt policies and procedures to ensure that reimbursement requests are properly calculated prior to submission to the FTA.

Officials Response:
The Authority agrees with the questioned costs. The amount was returned to FTA on June 14, 2011. This deficiency is an isolated instance. The Authority has a process in place to prevent this type of instance from occurring. However, the process was not followed. We will continue to monitor our process to ensure that our supervisory staff review procedures are being followed throughout the entire process.

3. Findings and Questioned Costs for Federal Awards (continued)

Findings Number 2010-02

CFDA Title and Number	Federal Transit Administration Cluster , #20.507 and #20.500
Federal Award Year	2010
Federal Agency	U.S. Department of Transportation
Pass-Through Agency	Ohio Department of Transportation

Allowable Costs - Indirect Cost Rate – Noncompliance

According to a report received from the FTA regarding their review of the RTA Cost Allocation Plan, the Authority's Cost Allocation Plan methodology was not in compliance with 2 CFR Part 225 (Code of Federal Regulations). Based upon this, the Authority cannot submit any cost reimbursement requests in 2011 until a new rate has been calculated and accepted by the FTA.

We recommend the Authority calculate the indirect costs in accordance with the Code of Federal Regulations.

Officials Response:
The Authority has submitted to the FTA, dated June 29, 2011, a corrective action plan response to address each area of noncompliance. In addition, the Authority will not request the use of FTA funds to cover the costs of any indirect costs associated with FTA funded grant activity until FTA has approved the Authority's cost allocation plan.

Greater Cleveland Regional Transit Authority

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

For the Year Ended December 31, 2010

Finding No.	Findings Summary	Fully Corrected	Explanation
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.	Yes	Federal Transit Administration Capital Improvement Grants passed through the Ohio Department of Transportation have been included in the Schedule of Federal Awards for 2010.

Greater Cleveland Regional Transit Authority

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

For the Year Ended December 31, 2010

Finding No.	Findings Summary	Fully Corrected	Explanation
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.	Yes	Federal Transit Administration Highway Planning and Construction Grants passed through the Ohio Department of Transportation have been included in the Schedule of Federal Awards for 2010.

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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 6, 2011