



OHIO AUDITOR OF STATE
KEITH FABER



**METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
DECEMBER 31, 2021**

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Metro Regional Transit Authority
Summit County
416 Kenmore Blvd
Akron, Ohio 44301

To the Board of Trustees:

We have audited, 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, the financial statements of the Metro Regional Transit Authority, Summit County, (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated September 20, 2022, wherein we referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes 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. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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 a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 20, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Metro Regional Transit Authority
Summit County
416 Kenmore Blvd
Akron, Ohio 44301

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Metro Regional Transit Authority's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Metro Regional Transit Authority's major federal program for the year ended December 31, 2021. The Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Metro Regional Transit Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Metro Regional Transit Authority (the Authority) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our unmodified report thereon dated September 20, 2022, wherein we referred to the financial impact of COVID-19 and the ensuing emergency measures that will impact subsequent periods. Our audit was conducted 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 the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

September 20, 2022

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**METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Federal Grantor/ Pass Through Grantor Program / Cluster Title	Federal CFDA Number	Pass through Entity Identifying Number	Total Federal Expenditures
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Federal Transit Cluster			
Urbanized Area Formula Grants	20.507	OH-2020-050-06	\$ 56,765
Urbanized Area Formula Grants	20.507	OH-2021-052-01	18,233,505
Urbanized Area Formula Grants	20.507	OH-2021-019-01	236,914
Urbanized Area Formula Grants	20.507	OH-2019-035-04	134,578
Urbanized Area Formula Grants	20.507	OH-2018-035-08	1,565,199
Bus and Bus Facilities	20.526	OH-2020-050-11	53,401
Total Federal Transit Cluster			<u>20,280,362</u>
Transit Service Programs Cluster			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OH-2017-043-01	352,685
Total US Department of Transportation			<u>20,633,047</u>
Total Expenditures of Federal Awards			<u>\$ 20,633,047</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

**METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Metro Regional Transit Authority (the Authority) under programs of the federal government for the year ended December 31, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – Matching Requirements

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Federal Transit Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR 200.511(b)

December 31, 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Financial Reporting	Fully Corrected	
2020-002	2 CFR § 1200.10 & 2 C.F.R. § 180.300	Fully Corrected	No noncompliance with covered transactions



METRO RTA
Annual Comprehensive
Financial Report

For the Year Ended
December 31, 2021

METRO Regional Transit Authority
SUMMIT COUNTY, OHIO

METRO Regional Transit Authority

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2021



Robert E. DeJournett
President
Board of Trustees

Dawn Distler
Chief Executive Officer/
Secretary-Treasurer

Prepared by:
The General Administration Department
Angela Neeley
Chief Financial Officer/Assistant Secretary-Treasurer

Summit County, Ohio

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METRO Regional Transit Authority

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Fiscal Year Ended December 31, 2021

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Introductory Section

METRO RTA
Annual Comprehensive Financial Report 2021

Introductory Section – 2021

The Introductory Section includes the Authority's transmittal letter and a Reporting Entity Profile.

September 20, 2022

Robert DeJournett, President,
and Members, Board of Trustees
METRO Regional Transit Authority
and Residents of Summit County, Ohio:

It is a pleasure to submit to you the Annual Comprehensive Financial Report (ACFR) of the METRO Regional Transit Authority (“METRO” or “Authority”) for the fiscal year ended December 31, 2021.

This report was prepared by the Finance Department of the METRO Regional Transit Authority and represents METRO’s commitment to provide accurate, concise and high-quality financial information to the Board of Trustees, interested parties and residents in METRO’s service area.

This report contains financial statements and statistical data which provide full disclosure of all of METRO’s material financial operations. The financial statements, supplemental schedules, statistical information, and all data contained herein are the representations of METRO’s management. METRO’s management bears the responsibility for the accuracy, completeness and fairness of this report. For a summary of financial activities, please review the management’s discussion and analysis located in the financial section should be reviewed.

PROFILE OF GOVERNMENT OF REPORTING ENTITY

METRO’s reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14. Accordingly, the financial statements contained within this comprehensive annual financial report include only the accounts and transactions of METRO. A discussion of METRO’s reporting entity is included in Note 1 to the financial statements.

METRO was created under Chapter 306 of the Ohio Revised Code by resolution of the City of Akron, Ohio adopted originally in 1969 and amended on January 28, 1991 to transform the three-city transit system to a countywide transit system. METRO’s service area covers 419.92 square miles in Summit County. Express service to downtown Cleveland, Ohio is also provided.

Operations and Funding

METRO has a ½ of 1 percent continuous sales tax. Voters approved a ¼ of 1 percent sales and use tax in November 1990 that permitted METRO to expand to a countywide system. In March 2008 the voters approved an additional ¼ of 1 percent sales and use tax to maintain and expand service levels.

Facilities

METRO has facilities that are located at:

- * 416 Kenmore Boulevard - METRO's main administration & maintenance facility.
- * 414 Kenmore Boulevard – Bus Barn, North
- * 412 Kenmore Boulevard – Fuel and Wash Service Lanes
- * 410 Kenmore Boulevard – Bus Barn, South
- * 310 Kenmore Boulevard – Public CNG/Charging Station
- * 2340 Romig Road –Rolling Acres Transfer Center (Southwest Akron)
- * 631 South Broadway – Robert K Pfaff Transit Center located in downtown Akron that provides ticket sales and customer information, passenger amenities, and the facility includes a Greyhound terminal. The facility also provides connection to Portage Area Regional Transportation Authority, Stark Area Regional Transit Authority and to the University of Akron on METRO RTA's DASH (Downtown Akron Shuttle)
- * 1280 Independence Avenue – Independence Turn Around (Northwest Akron)
- * 509 Kenmore Boulevard – North Employee Lot (Akron)
- * 465 Ghent Road – James Fisher Park and Ride lot (West Akron)
- * 2600 Creekside Drive – Park and Ride lot (Akron)
- * 27 Ridge Avenue – Northside Train Platform – CVSRR (Akron)
- * 336 Kenmore Boulevard – Junk Yard Property (Akron)

Services

METRO provides fixed route and demand response (SCAT) service in the County of Summit, Ohio and Express Service into downtown Cleveland, Ohio.

Management, Board of Trustees

METRO is managed by a Board of Trustees, which is vested by Ohio law with the powers necessary to manage METRO. The legislation and agreements establishing METRO provide for a twelve-member board serving three-year terms. The Board members are appointed by five different governmental agencies. The City of Akron has six seats, the County of Summit has three, and the cities of Barberton, Cuyahoga Falls and Stow have one each.

Administration

The administration of METRO, subject to the policies and supervision of its Board of Trustees, is directed by a Chief Executive Officer/Secretary-Treasurer. The Chief Executive Officer/Secretary-Treasurer is under contract to the Board of Trustees. The Chief Executive Officer/Secretary-Treasurer selects the remaining senior administrative staff. An organizational chart, which depicts the key functional responsibilities, is shown on page 9 of this Introductory Section.

ECONOMIC CONDITION AND OUTLOOK

General

Summit County (METRO's primary service area) is located in northeast Ohio, and the City of Akron is located near the center of the county and is the county seat. The Primary Akron Metropolitan Statistical Area (PMSA) consists of Summit and Portage Counties. The 2020 PMSA census population was 702,219. The PMSA population as of July 2021 (the latest available estimate) is 700,015. Using the July 2021 estimate, Summit County represents about 77% of the two counties' total population.

Summit County is served by diversified transportation facilities. Interstate I-77 runs north and south through the county while I-76 crosses east and west through the county. The Ohio Turnpike crosses the northern portion of the county. A total of five interstate highways, one U.S. highway and seventeen state highways are located in the county.

The Summit County unemployment rate as of December 2021 was 3.7%, compared with a national average of 3.9%.

Once known as the "Rubber Capital of the World", Akron has moved forward into the world of liquid crystal and polymer research, development, and technology. More than 400 companies in the area are at work on one aspect or another of polymers, creating what is now referred to as the "Polymer Valley." The University of Akron supports the industry with both a College of Polymer Engineering and a specialized laboratory and research facility accessible by Akron area business partners.

Population

Population in METRO's principal service area since 1960 has been as follows:

<u>YEAR</u>	<u>AKRON</u>	<u>SUMMIT COUNTY</u>
1960	290,351	513,569
1970	275,425	553,371
1980	238,177	524,472
1990	223,019	514,990
2000	217,074	542,899
2010	199,110	541,648
2020	190,469	540,428

Employment

The following table shows comparative unemployment statistics for Summit County, the State of Ohio and the United States for the last five years:

Average Unemployment Rates (last five years)

<u>Year</u>	<u>Summit County</u>	<u>Ohio</u>	<u>U.S.</u>
2017	4.9%	4.9%	4.1%
2018	4.9%	4.8%	3.9%
2019	4.0%	3.8%	3.5%
2020	5.5%	5.6%	6.7%
2021	3.7%	4.5%	3.9%

MAJOR INITIATIVES

Recent Developments

Highlights of the 2021 year of operations include the following:

Major capital asset expenses started during 2021 included the following:

- \$2,435,838 for the purchase 38 small buses
- \$1,152,526 for North Bus Barn renovation
- \$184,496 for the design and construction of bus shelters to make them ADA compliant
- \$41,672 for facility projects – siding at RKP
- \$130,270 for security cameras for SCAT buses
- \$126,594 for facility projects for electric bus infrastructure
- \$2,143,100 for the purchase of Gillig buses

Several construction projects (CIP) started in 2020 and 2019 that are still ongoing:

- Construction of Independence Turnaround for a new passenger facility
- Sandyville rehabilitation rail A/E on call
- Avail tech/Hastus Integration
- North Bus Barn
- Bus stop ADA compliance improvement in 19 locations

CIP projects started in 2021 are the following:

- Unleaded fueling station modification
- RKP siding replacement
- New maintenance operations facility

The total CIP as of December 31, 2021 is \$4,113,281.

Future Projects

METRO continues to implement its long-range plan. This plan was developed to provide METRO with a strategy for implementing capital and operational projects. The portion of the long-range plan for 2022 projects a budget of \$19,532,000 in capital cost:

- Purchase of large buses for \$5.9 million
- Purchase of small buses for \$1.7 million
- Purchase of commuter buses for \$1.4 million
- Construction of:
 - Bus stop amenities (shelters, etc.) for \$0.299 million
 - Facility rehab and A&E projects for \$6.8 million
 - IT hardware/software/systems for \$2.9 million
 - Rapid bus transit for \$0.5 million
 - Rail rehab projects for \$0.02 million

The total project cost approved for capital projects approved by the board for 2022 is \$19.5 million.

FINANCIAL INFORMATION

Internal Control Structure

The management of METRO is responsible for establishing and maintaining an internal control structure designed to ensure that METRO's assets are protected from loss, theft, or misuse. Its responsibility is also to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

In developing and evaluating METRO's accounting system, emphasis is placed on the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the protection of assets against loss from unauthorized use or disposition, and the reliability of financial records used to prepare financial statements. The concept of "reasonable assurance" recognizes that the cost of the control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

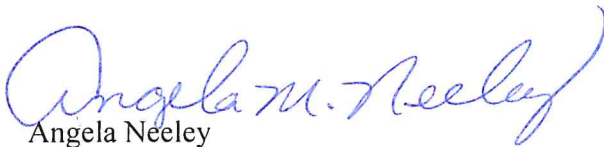
All internal control evaluations occur within the above framework. Management believes that METRO's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Management also believes that the data, as presented herein, is accurate in all material respects, that it presents fairly the financial position, results of operations and cash flows of METRO, and that all disclosures necessary to enable the reader to obtain an understanding of METRO's financial affairs have been included.

Independent Audit

Provisions of State statute require METRO RTA's financial statements to be subjected to an annual audit by an independent auditor. Those provisions have been satisfied and the opinion of the independent auditor is included herein.

Acknowledgment

This report would not have been possible without the determination and high standards of the entire staff of the Finance Department. METRO wishes to thank all who contributed to this project.



Angela Neeley
Chief Financial Officer/
Assistant Secretary-Treasurer

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METRO Regional Transit Authority

Board of Trustees and Administration

Members of the Board of Trustees

Representing the City of Akron

Donald Christian
Robert E. DeJournett
Nicholas P. Fernandez
Mark Derrig
Renee Greene

Representing the County of Summit

Heather Heslop Licata
Louise Gissendaner
David E. Prentice

Representing the City of Barberton

Charles R. Rector

Representing the City of Cuyahoga Falls

Vincent Rubino

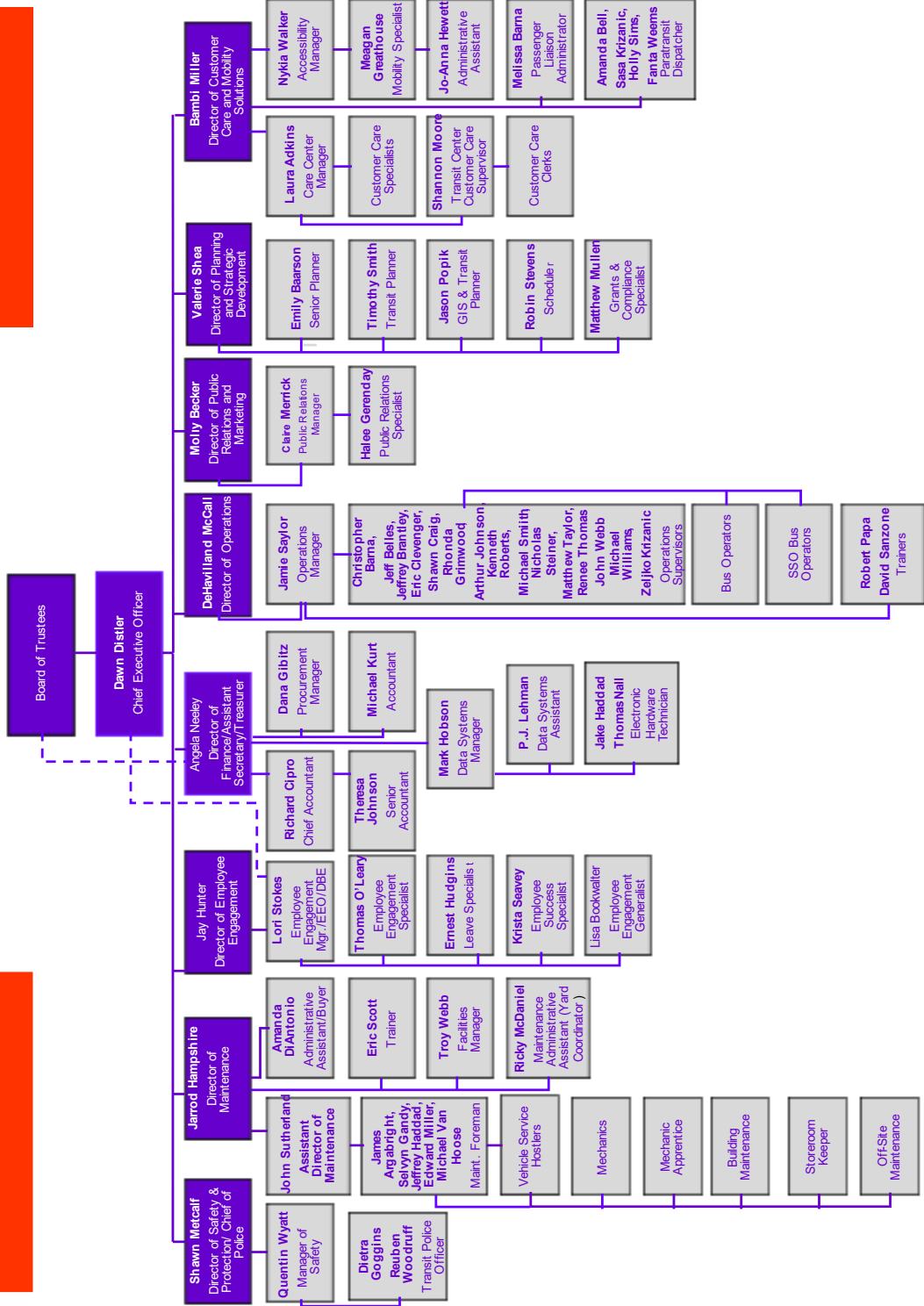
Representing the City of Stow

Gary Spring

Administration

Dawn Distler, Chief Executive Officer/Secretary-Treasurer
Angela M. Neeley, Chief Financial Officer/Assistant Secretary-Treasurer
Dehavilland McCall, Director of Operations
Jarrod Hampshire, Director of Maintenance
Jay Hunter, Director of Employee Engagement
Molly Becker, Director of Public Relations & Marketing
Bambi Miller, Director of Customer Care & Mobility Solutions
Valerie Shea, Director of Planning & Strategic Development
Shawn Metcalf, Chief of METRO's Transit Police/Director of Safety & Protection

METRO RTA ORGANIZATIONAL CHART



SUMMIT COUNTY, OHIO



Summit County is located in the northeastern portion of the State of Ohio and was named because it was the highest point along the Erie-Ohio canal.

The County consists of twenty-two municipalities (cities and villages) and nine townships. The seat of the county government is in the City of Akron.

Financial Section – 2021

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the Basic Financial Statements, Notes to the Financial Statements, other Required Supplementary Information (RSI) and other financial schedules.

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Metro Regional Transit Authority
Summit County
416 Kenmore Blvd
Akron, Ohio 44301

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Metro Regional Transit Authority, Summit County, Ohio (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Metro Regional Transit Authority, Summit County, Ohio as of December 31, 2021, and the changes in financial position and its cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Authority. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory and statistical sections are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2022, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 20, 2022

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METRO REGIONAL TRANSIT AUTHORITY
Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

As the financial management team for the METRO Regional Transit Authority (the “Authority”), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2021. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights for 2021

- The Authority has a net position of \$161.1 million. This was an increase of \$42.6 million from 2020. The net position results from the difference between total assets and deferred outflows of \$210.5 million and total liabilities and deferred inflows of \$49.4 million.
- Current assets of \$124.1 million primarily consist of non-restricted Cash and Cash Equivalents of \$67.2 million; Sales and Use Tax receivable of \$14.6 million, long-term investments of \$29.0 million, federal assistance receivable of \$8.8 million, state assistance receivable of \$1.3 million, other receivables of \$0.2 million, materials and supplies inventory of \$1.3 million and prepaid expenses of \$1.7 million.
- Noncurrent assets consist of \$2.8 million of net OPEB asset.
- Current liabilities of \$4.0 million primarily consist of accrued payroll and payroll liabilities of \$3.1 million, accounts payable of \$0.6 million and other liabilities of \$0.3 million.
- Noncurrent liabilities of \$24.4 million consist of Net Pension Liability. Please review the notes to the financial statements for additional information.

METRO’s overall financial picture is in a very good position with net position increasing by \$42.6 million from 2020. Sales tax revenues have increased and we continuously strive to implement financial controls so that our costs do not exceed our revenues. These factors will allow METRO to increase service in the future.

Basic Financial Statements and Presentation

METRO accounting records are maintained on the accrual basis. The activities are accounted for in a single enterprise (Proprietary-type) fund.

Financial Reporting

The financial statements presented by the Authority are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority is structured as single enterprise fund with revenues recognized

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when earned and measurable, not when received. Expenses are recognized when they are incurred, not when paid. Capital assets, except land, Construction-in-progress and Right-of-way, are capitalized and depreciated over their estimated useful lives.

The Statement of Net Position presents information on all the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between them reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The net position increases when revenues exceed expenses. Increases in assets and/or deferred outflows without a corresponding increase to liabilities and/or deferred inflows results in increased net position, which indicate improved financial position.

The Statement of Revenues, Expenses and Changes in Net Position present information showing how the Authority's net position changed during the year. This statement summarizes operating revenues and expenses along with non-operating revenues and expenses. In addition, this statement lists capital grant revenues received from federal, state and local governments.

The Statement of Cash Flows allows 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 statement is 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, and 4) Cash flows from investing activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Financial Statements can be found on pages 29-53 of this report.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Financial Analysis of the Authority

Condensed Summary of Net Position

	<u>2021</u>	<u>2020</u>
Current assets	\$ 124,143,749	\$ 106,206,584
Other noncurrent assets: Net OPEB	2,843,027	-
Capital assets, net of accumulated depreciation	<u>78,498,073</u>	<u>79,972,618</u>
Total assets	205,484,849	186,179,202
Deferred outflows - Pension	3,526,154	5,548,271
Deferred outflows - OPEB	<u>1,484,806</u>	<u>3,862,701</u>
Total assets and deferred outflows	<u>210,495,809</u>	<u>195,590,174</u>
Current liabilities	4,034,504	8,722,923
Non-current liabilities:		
Net pension liability	24,421,654	34,152,127
Net OPEB liability	<u>-</u>	<u>23,048,668</u>
Total liabilities	28,456,158	65,923,718
Deferred inflows - Pension	11,622,836	7,588,784
Deferred inflows - OPEB	<u>9,308,392</u>	<u>3,530,467</u>
Total liabilities and deferred inflows	<u>49,387,386</u>	<u>77,042,969</u>
Net Position:		
Investment in capital assets	78,498,073	79,972,618
Unrestricted net position	<u>82,610,350</u>	<u>38,574,587</u>
Total net position	<u>\$ 161,108,423</u>	<u>\$ 118,547,205</u>

As a result of implementing the accounting standard for pension and OPEB, the Authority is reporting a significant net pension liability and related deferred inflows of resources for the fiscal year which have a negative effect on net position. In addition, the Authority is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to pension and OPEB, which have a positive impact on net position. The change in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability that is not reported as deferred inflows or outflows. To further explain the impact of these accounting standards on the Authority's net position, additional information is presented below.

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(Unaudited)

	<u>2021</u>	<u>2020</u>
Deferred outflows - pension	\$ 3,526,154	\$ 5,548,271
Deferred outflows - OPEB	1,484,806	3,862,701
Deferred inflows - pension	(11,622,836)	(7,588,784)
Deferred inflows - OPEB	(9,308,392)	(3,530,467)
Net pension liability	(24,421,654)	(34,152,127)
Net OPEB liability or asset	<u>2,843,027</u>	<u>(23,048,668)</u>
Impact of GASB 68 and GABB 75 on net position	<u>\$ (37,498,895)</u>	<u>\$ (58,909,074)</u>
Net expense impact	\$ 21,410,179	\$ (4,635,404)

For 2021, the net expense impact of GASB 68 and 75 was \$21,410,179. This was from reporting the decrease in the Authority's proportionate share of the pension and other post-employment benefit liability of the Ohio Public Employment Retirement board. This adjustment was a negative expense which decreased expenses.

By far, the largest portion of the Authority's net position reflect net investment in capital assets (e.g., line service and Paratransit buses, operating facilities including our administrative/maintenance office, Robert K Pfaff Transit Center, Rolling Acres Transfer Center and our banked railroad property) less any related debt used to acquire those assets that may still outstanding. The Authority uses these capital assets to provide public transportation service for Summit County citizens. These assets are not available to liquidate liabilities or to cover other spending. For additional information please reference Note 4.

Equity related to capital acquisitions is reflected in the line item "Investment in capital assets". The equity includes funding provided by the Federal Transit Administration (FTA) and the State of Ohio Department of Transportation (ODOT). The Authority's investment in capital assets, net of accumulated depreciation was \$78.5 million as of December 31, 2021, a decrease of \$1.5 million from \$80.0 million in 2020 due mainly to the depreciation of building, transportation and other equipment. The equity portion of the capital assets related to the FTA cannot be liquidated to provide a source of cash flow, as any premature sale would require repayments to the FTA for its remaining equity in capital assets.

Major capital asset expenses during 2021 included the following:

- A total of \$7.4 million in transportation buses from Ford Transit and Gillig; and
- \$700,000 in new equipment and upgrade, including 36 laptops, fire alarm panels, camera systems for SCAT buses, GFI software upgrades, network switch refresh, new boiler for the building, police equipment, bus cameras, etc.

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Several CIP projects started in 2019, including the Independence Turnaround, North Bus Barn renovations, and bus stop ADA improvements, are still ongoing with total CIP at \$4.1 million as of December 31, 2021.

Condensed Summary of Revenues, Expenses and Changes in Net Position

	2021	2020
OPERATING REVENUES:		
Passenger fares	\$ 1,786,332	\$ 1,728,569
Advertising and concessions	273,505	467,383
Total operating revenues	2,059,837	2,195,952
OPERATING EXPENSES:		
Labor	23,258,842	23,094,596
Fringe benefits	(4,562,449)	19,025,865
Materials and supplies	3,853,666	3,910,290
Fuel	1,235,418	1,298,215
Services	3,855,356	3,672,224
Utilities	998,952	904,406
Casualty and liability	935,275	1,043,110
Taxes	141,932	182,846
Purchased transportation service	1,346,902	1,302,601
Miscellaneous	290,143	351,326
Total operating expenses excluding depreciation	31,354,037	54,785,479
OPERATING LOSS BEFORE DEPRECIATION	(29,294,200)	(52,589,527)
Depreciation expense	9,812,460	9,717,664
OPERATING LOSS	(39,106,660)	(62,307,191)
NON-OPERATING REVENUES (EXPENSES):		
Sales tax revenue	55,349,037	49,541,450
Federal, state and local assistance	20,252,418	32,771,664
Interest income/(loss)	(286,363)	436,959
Gain (Loss) from disposal of assets	94,427	6,705
Rent, rail and other revenue	1,072,918	3,282,873
Total non-operating revenues - net	76,482,437	86,039,651
NET INCOME BEFORE CAPITAL CONTRIBUTION	37,375,777	23,732,460
CAPITAL CONTRIBUTIONS	5,185,441	293,982
Increase (decrease) in Net Position	42,561,218	24,026,442
Net Position, Beginning of Year	118,547,205	94,520,763
Net Position, Ending of Year	\$ 161,108,423	\$ 118,547,205

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Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Financial Operating Results

Revenues

Sales Tax revenues rose 12% to \$55.3 million in 2021 from \$49.5 million in 2020. This is a sales and use tax of ½ of 1% on all goods and services sold in Summit County. There is no limit on its duration.

Passenger fares are comprised of farebox revenues, tickets sales, special transit fares and contracts with the University of Akron and the Akron Board of Education. METRO also has additional contracts with local governmental agencies to provide Paratransit service. The passenger fares increased slightly by \$57,763 or 3% in 2021. The Authority offered free- fare transport service from March 17 to June 8, 2020 due to COVID-19. Also due to COVID-19, the Authority continued to operate a reduced service from March 2020 through 2021.

Federal assistance funds are received from the Federal Transit Administration for certain items that are classified as capital assistance. Capital assistance, as defined by the FTA, includes preventive maintenance, leases, planning, and other operating items that are part of capital projects. The federal operating grants and reimbursements, including capital contributions received in 2021 was \$22.4 million, slightly lower than the amount received in 2020 at \$28.3 million. The federal assistance in 2020 was higher due to a one-time CARES Act funding in the amount of \$19.99 million.

State assistance funds has been reduced by 56% to \$1.5 million from \$3.4 million in 2020 as state provided less assistance in bus purchases in 2021.

Interest Income consists of income from interest paid on investments. Interest income from investments incurred a loss of \$286,363 in 2021 from a gain of \$436,959 in 2020 due to the fluctuations in the market caused by economic uncertainties.

Other Revenue consists of revenue from the sale of obsolete assets, gain on disposal of assets, reimbursements, and all other miscellaneous revenue. In 2021, the gain on disposal of assets increased to \$94,427 from only \$6,705 in 2020. But other revenue from rent, rail and others decreased by 67% to \$1.1 million from \$3.3 million in 2020. The increase in 2020 revenue was mainly due to the Ohio Bureau of Workers' Compensation (BWC) refunds of \$2.53 million as a result of the state's investment and management performance and BWC's assistance with COVID expenses. In 2021, BWC refunds amounted to only \$446,500. Rail miscellaneous income also declined to \$129,467 from \$420,093 in 2020. The rail miscellaneous income in 2020 was due to the one time or multi-year contracts that did not repeat to the same level in 2021.

Overall, the Authority's total revenue, including capital contributions, went down 5% to \$83.7 million from \$88.53 million in 2020.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Operating Expenses

Total operating expenses, excluding depreciation, declined by 43% to \$31.4 million from \$55 million in 2020. The decline in 2021 was due primarily to the effect of the adjustment in net pension and OPEB expense in the fringe benefits (-124%), reduced fuel costs (-5%), casualty and insurance liability (-10%), taxes (-22%) and miscellaneous expenses (-17%).

Labor and Fringe Benefits are METRO's major expense items. Wages remained stable in 2021, increasing a slight 1% to \$23.3 million. Fringe benefits were down to -\$4.6 million in 2021 due to pension liability adjustments. Excluding the pension liability adjustments, fringe benefits expenses actually increased to \$16.8 million from \$14.4 million or 17%.

Material and Supplies expenses were also kept stable at \$3.9 million in 2021.

Fuel expenses decreased slightly to \$1.2 million from \$1.3 million in 2020 due to reduced fuel usage as a result of reduced transit services due to COVID-19.

Services expenses were up by 5% to \$3.9 million in 2021 from \$3.7 million 2020 due to higher consultancy costs.

Utilities increased 9% to \$988,952 in 2021 from \$904,406 in 2020 due higher consumption of electricity, gas and telephone. The RKP was closed for some time in 2020 due to COVID-19, but had fully opened in 2021. Also due to COVID-19, employees also worked from home for several months in 2020 resulting in less utility consumption.

Casualty and Insurance Liability decreased \$935,275 from \$1.04 million or 10% due to a reduced premium rate for property damage and loss insurance and increased claim recovery.

Taxes declined by 22% to \$141,932 from \$182,846 in 2020 due to the fuel tax shift from diesel to CNG fuel.

Purchased Transportation expense remained relatively steady at \$1.3 million or 3% in 2021.

Miscellaneous expenses were down 17% to \$290,143 in 2021 due to less expenses incurred for advertising, travel and meetings.

Overall, the Authority's total operating expenses, excluding depreciation, were \$31.4 million in 2021. This is a decrease of 43% over 2020 due to mainly fringe benefits and pension expense adjustments.

Depreciation expense changed by 1% to \$9.8 million from \$9.7 million in 2020.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Condensed Summary of Cash Flows

Net cash used for operating activities increased by \$10 million to \$52 million in 2021.

In 2021, net cash provided by non-capital financing activity increased by \$13.6 million due mainly to increases in sales taxes and operating grants received.

Cash and cash equivalents increased by \$13.7 million in 2021.

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 1,786,832	\$ 1,803,187
Cash received from others for miscellaneous revenue and services	1,346,423	3,750,256
Cash payments to suppliers for goods and services	(15,244,992)	(9,384,931)
Cash payments to employees for services	(40,015,613)	(38,056,830)
Net cash used in operating activities	<u>(52,127,350)</u>	<u>(41,888,318)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales taxes received	54,039,459	49,548,689
Operating grants and other assistance received	26,370,017	17,289,948
Net cash provided by non-capital financing activities	<u>80,409,476</u>	<u>66,838,637</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received	5,185,440	258,673
Acquisition and construction of capital assets	(8,346,635)	(8,318,998)
Sale of capital assets	94,427	6,705
Net cash provided (used) by capital and related financing activities	<u>(3,066,768)</u>	<u>(8,053,620)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash proceeds from sale of investments	17,779,335	20,746,716
Cash used for purchase of investments	(29,037,162)	(17,779,335)
Interest received from investments	(286,363)	436,959
Net cash provided by investing activities	<u>(11,544,190)</u>	<u>3,404,340</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>13,671,168</u>	<u>20,301,039</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>53,509,802</u>	<u>33,208,763</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 67,180,970</u>	<u>\$ 53,509,802</u>

Capital Asset and Debt Administration

Capital Assets

The Authority's investment in capital assets amounted to \$78.5 million as of December 31, 2021, a decrease of \$1.5 million over 2020.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Management Discussion and Analysis
For the Year Ended December 31, 2021
(Unaudited)

Capital assets include land, construction-in-progress, building & building improvements, infrastructure, right-of-way, transportation and other equipment.

Additional information on capital asset activity can be found in Note 4 to the financial statements.

Long-term Debt

The Authority has no outstanding debt, except for the Net Pension Liability and compensated absences, as of December 31, 2021. Additional information on long-term liability can be found in Note 3 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, METRO Regional Transit Authority, 416 Kenmore Boulevard, Akron, OH 44301.

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METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS	<u>2021</u>
CURRENT ASSETS:	
Cash and cash equivalents	\$ 67,180,970
Investments	29,037,126
Receivables:	
State assistance	1,285,384
Sales taxes	14,610,011
Federal assistance	8,761,679
Trade and other	207,091
Accrued interest	39,040
Materials and supplies inventory	1,267,003
Prepaid expenses	<u>1,755,445</u>
Total current assets	<u>124,143,749</u>
NONCURRENT ASSETS	
Net OPEB asset	<u>2,843,027</u>
PROPERTY, FACILITIES AND EQUIPMENT	
Land	4,718,744
Construction in Progress	4,113,281
Buildings and building improvements	58,443,389
Infrastructure	8,983,521
Right-of-ways	10,653,206
Transportation equipment	79,668,160
Other equipment	16,809,080
Total	<u>183,389,381</u>
Less: Accumulated depreciation	<u>(104,891,308)</u>
Capital assets - net	<u>78,498,073</u>
Total noncurrent assets and capital assets	<u>81,341,100</u>
DEFERRED OUTFLOW	
Deferred outflows - Pension	3,526,154
Deferred outflows - OPEB	<u>1,484,806</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 210,495,809</u></u>

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2021

LIABILITIES AND NET POSITION	<u>2021</u>
CURRENT LIABILITIES:	
Accounts payable	\$ 619,809
Accrued payroll and benefits	2,922,284
Accrued payroll taxes	195,230
Other liabilities	<u>297,181</u>
Total current liabilities	<u>4,034,504</u>
NONCURRENT LIABILITIES:	
Net pension liability	<u>24,421,654</u>
Total noncurrent liabilities	<u>24,421,654</u>
Total liabilities	28,456,158
DEFERRED INFLOWS	
Deferred inflows - Pension	11,622,836
Deferred infows - OPEB	<u>9,308,392</u>
Total deferred inflows	<u>20,931,228</u>
NET POSITION:	
Investment in capital assets	78,498,073
Unrestricted	<u>82,610,350</u>
Total net position	<u>161,108,423</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 210,495,809</u></u>

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021
OPERATING REVENUES:	
Passenger fares	\$ 1,786,332
Advertising and concessions	273,505
	2,059,837
OPERATING EXPENSES	
Labor	23,258,842
Fringe benefits	(4,562,449)
Materials and supplies	3,853,666
Fuel	1,235,418
Services	3,855,356
Utilities	998,952
Casualty and liability	935,275
Taxes	141,932
Purchased transportation service	1,346,902
Miscellaneous	290,143
	31,354,037
OPERATING LOSS BEFORE DEPRECIATION EXPENSE	(29,294,200)
DEPRECIATION EXPENSE:	
On assets acquired with capital grants	9,811,163
On other assets	1,297
Total depreciation expense	9,812,460
OPERATING LOSS	(39,106,660)
NON-OPERATING REVENUES (EXPENSES):	
Sales tax revenue	55,349,037
Federal operating grants and reimbursements	17,167,584
State operating grants, reimbursements, and special fare assistance	1,525,089
Student fare and other assistance	1,559,745
Interest income (loss)	(286,363)
Gain (Loss) from disposal of assets	94,427
Rent, rail and other revenue	1,072,918
Total non-operating revenues - net	76,482,437
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTION	37,375,777
CAPITAL CONTRIBUTIONS	5,185,441
Increase (decrease) in Net Position	42,561,218
Net Position, Beginning of Year	118,547,205
Net Position, Ending of Year	\$ 161,108,423

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 1,786,832
Cash received from others for miscellaneous revenue and services	1,346,423
Cash payments to suppliers for goods and services	(15,244,992)
Cash payments to employees for services	(40,015,613)
Net cash used in operating activities	(52,127,350)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Sales taxes received	54,039,459
Operating grants and other assistance received	26,370,017
Net cash provided by non-capital financing activities	80,409,476
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants received	5,185,440
Acquisition and construction of capital assets	(8,346,635)
Sale of capital assets	94,427
Net cash provided (used) by capital and related financing activities	(3,066,768)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash proceeds from sale of investments	17,779,335
Cash used for purchase of investments	(29,037,162)
Interest received/lost from investments	(286,363)
Net cash provided by investing activities	(11,544,190)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,671,168
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	53,509,802
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 67,180,970
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:	
Operating loss	\$ (39,106,660)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,812,460
Other non-operating revenue	1,072,918
Change in assets and liabilities:	
(Increase) decrease accounts receivable-trade	500
(Increase) decrease materials and supplies inventory	311,994
(Increase) decrease prepaid expenses	1,880,036
Accounts payable, accrued payroll, accrued payroll taxes and other liabilities	(4,688,419)
(Increase) decrease in deferred outflows of resources (Pension and OPEB)	4,400,012
Increase (decrease) in net pension liability and net OPEB liability	(35,622,168)
Increase (decrease) in deferred inflows of resources (Pension and OPEB)	9,811,977
NET CASH USED IN OPERATING ACTIVITIES	\$ (52,127,350)

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – METRO Regional Transit Authority (“METRO” or the “Authority”) was created pursuant to Sections 306.30 through 306.71 of the Ohio Revised Code for the purpose of providing public transportation in Summit County, Ohio. As a political subdivision it is distinct from, and is not an agency of, the State of Ohio or any other local governmental unit. The Authority is not subject to federal or state income taxes.

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 percent, 0.5 percent, 1 percent, or 1.5 percent 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 of Ohio and Summit County. During 1990, the voters of Summit County approved 0.25 percent sales and use tax with no limit on its duration. In 2008 the voters of Summit County approved an additional 0.25 percent sales and use tax with no limit on its duration for a total of 0.50 percent.

The Authority is managed by a 12-member Board of Trustees and provides virtually all mass transportation within Summit County.

Reporting Entity – The accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Governmental Accounting Standards Board (GASB) Statements No. 14, 39, and 61, the Authority has no component units nor is it considered a component unit of any other governmental authority. The conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is not financially accountable for any other organization. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provisions of the Ohio Revised Code.

Basis of Accounting – The Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net income, financial position and cash flows. All transactions are accounted for in a single enterprise fund.

Nonexchange Transactions - The Authority has also complied with the provisions of Statement No. 33 of the Governmental Accounting Standards Board (“GASB”) regarding the Accounting and Financial Reporting for Nonexchange Transactions. This statement requires that capital contributions be recognized as revenue. Accordingly, during the year ended December 31, 2021, \$5,185,441 in capital contributions were recognized as revenue in the Statement of Revenues, Expenses and Changes in Net Position for the Authority.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (continued)

The Authority will continue applying all applicable pronouncements issued by the GASB.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity, at date of purchase, of three months or less to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

Investments – The Authority’s investments are stated at fair value.

Materials and Supplies Inventory – Materials and supplies inventory is stated at cost (average cost method). Inventory generally consists of maintenance parts and supplies for rolling stock and other transportation equipment.

Capital Assets – Capital Assets are stated at historical cost. The cost of maintenance and repairs is charged to operations as incurred. Property over \$5,000 is capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

<u>Description</u>	<u>Years</u>
Building and Building Improvements	20-40
Infrastructure	20-30
Transportation equipment	5-12
Other equipment	3-10

Net Position is displayed in three components as follows:

Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation. There were no the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets in 2021.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority’s policy to use restricted resources first, then unrestricted resources when they are needed.

Unrestricted – This consists of net position that does not meet the definition of “restricted” or “investment in capital assets.”

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (continued)

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 Transit Administration (“FTA”) and the Ohio Department of Transportation (“ODOT”) provide financial assistance and make grants directly to the Authority for operations and acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement period.

Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as revenue when the expense has been made and the revenue is available. Capital grant funds received in advance of project costs being incurred are recorded as liabilities.

Compensated Absences

The Authority accrues vacation and sick pay benefits as earned by its eligible employees. In the event of termination, an employee is reimbursed for accumulated vacation leave. In the event an employee retires they are reimbursed for accumulated sick leave, otherwise accumulated sick leave is forfeited.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Authority’s deferred outflows of resources relate to pension as explained in Note 6.

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Authority’s deferred inflows of resources relate to pension as explained in Note 6.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (continued)

Passenger Fares

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

Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

The current accounting standard requires the Authority to report their proportionate share of the net pension/OPEB liability or OPEB asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and post employment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability or OPEB asset. Under the new standards, the net pension/OPEB liability or OPEB asset equals the Authority proportionate share of the pension plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other post employment benefits. The unfunded portion of this benefit of exchange is a liability of the Authority. However, the Authority is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The Authority has no control over the changes in the benefits, contributions rate, and return on investments affecting the balance of these liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - (continued)

Budgetary Accounting and Control

The Authority's annual budget is prepared on the accrual basis of accounting as permitted by law. The Authority maintains budgetary control by not allowing total expense to exceed total appropriations without the approval of the Board of Trustees.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

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

Deposits

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 instruments, contract, or obligation itself (Commonly known as a "derivative"). The Authority is also prohibited from investing in reverse repurchase agreements.

At December 31, 2021, the carrying amount of the Authority's cash deposits was \$66,261,376. Based on the criteria described in GASB Statement No. 40, Deposits and Investment Risk Disclosures", as of December 31, 2021, \$250,000 of the Authority's bank balance of \$66,429,945 was covered by the Federal Deposit Insurance Corporation (FDIC); while the rest was covered by the Ohio Pooled Collateral System (OPCS). The Authority's financial institution participates in the OPCS and was approved for a reduced collateral floor of 50% resulting in the uninsured and uncollateralized balance of \$33,089,973. As December 31, 2021, the Authority had \$1,829 in petty cash.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2. DEPOSITS AND INVESTMENTS - (continued)

Custodial credit risk is the risk that, in the event of bank failure, the Authority's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 102% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in the Ohio Pool Collateralization System (OPCS) pledged to the Treasurer of State. Qualified trustees holding such pools of collateral are approved by the Ohio treasurer and must hold the eligible securities in an account indicating the treasurer's security interest. The Ohio treasurer holds and monitors the pooled collateral on behalf of the Authority to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the treasurer of State. For 2021, the Authority's financial institution was approved for a collateral rate of 50 percent through the OPCS.

The Board of Trustees has designated \$17,573,362 in 2021 as contingencies for future use that are included in investments.

Investments at December 31, 2021 are summarized as follows:

Rating S&P	Description	Investment Maturities				Percentage of Investments
		Fair Value	One year or less	More than one and less than three years	Three years or more	
AAAm	Money market mutual fund	\$ 919,594	\$ 919,594	\$ -	\$ -	3%
FDIC	Various negotiable certificates of deposit	4,398,699	1,976,459	2,027,887	394,353	15%
	US Treasury notes	14,820,627	2,697,112	7,980,060	4,143,455	50%
	Municipal Bonds	1,954,892	1,954,892	-	-	7%
	Government Sponsored Enterprise Bonds:					
AA+	Federal Farm Credit Bank	443,112	-	443,112	-	2%
AA+	Federal Home Loan Bank	2,707,261	984,079	981,746	741,436	9%
AA+	Federal National Mortgage Association	4,712,535	-	-	4,712,535	16%
	Total investments	\$29,956,720	\$ 8,532,136	\$ 11,432,805	\$ 9,991,779	
	Percentage by Maturity	100%	29%	38%	33%	

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding table identifies the Authority's recurring fair value measurement as of December 31, 2021. All investments of the Authority are valued using quoted market prices (Level 1 inputs).

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2. DEPOSITS AND INVESTMENTS - (continued)

Custodial Credit Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the Authority must meet a set of prescribed standards and be periodically reviewed. The investments in the Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), Freddie Mac and commercial paper are held by the counterparty's trust department or agent and not in the Authority's name. All of the Authority's negotiable certificates of deposit are registered securities.

Credit Risk is addressed by the Authority's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The Authority's investments in FHLMC, FFCB, FNMA, FHLB and Freddie Mac bonds are registered and carry a rating AA+ by S&P.

Concentration of Credit Risk is the possibility of loss attributed to the magnitude of the Authority's investment in a single issuer. 26% of the Authority's investments are in FFCB, FNMC and FHLB, and negotiable CDs make up 15% of all investments. The portfolio of negotiable CDs consists of CDs each from different financial institutions ranging in values up to \$250,000 (less than 5% individually of the total investments). The table above summarizes the Authority's percentage of investments at year end. The Authority's investment policy requires diversification of the portfolio and indicates that investments shall be diversified to eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, a specific issuer, or a specific class of security. The policy includes certificates of deposit and money market accounts as investments even when they are not considered an investment for financial reporting purposes. The policy requires: a) the total par amount invested in a combination of commercial paper and banker's acceptances may not exceed 25% of the total invested funds at the time of purchase; and b) no more than 50% of the portfolio shall be invested in securities with maturities that exceed two years.

Interest rate risk: The Authority has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and that an investment must be purchased with the expectation that it will be held to maturity.

All of the Authority's negotiable certificates of deposit are registered securities and covered in full by FDIC insurance. The Authority's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Reconciliation of Cash and Investments to the Statement of Net Position: The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2021:

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

2. DEPOSITS AND INVESTMENTS - (continued)

	<u>December 31, 2021</u>
<u>Cash and investments per footnote</u>	
Carrying amount	\$ 66,261,376
Investments	29,956,720
accrued interest	39,040
	<u>\$ 96,257,136</u>

<u>Cash and investments per statement of net position</u>	
Cash and cash equivalents	\$ 67,180,970
Investments	29,037,126
Accrued interest	39,040
	<u>\$ 96,257,136</u>

3. LONG TERM OBLIGATIONS

During 2021, the following changes occurred in long term obligations:

A. Compensated Absences

	<u>2021</u>
Beginning balance	\$ 1,769,556
Liability earned	1,795,386
Liability paid	<u>(1,757,655)</u>
Ending balance	<u>\$ 1,807,287</u>
Due within one year	<u>\$ 1,807,287</u>

The Authority accrues compensated absences based on the estimated amounts employees are entitled to according to Authority's policies. Vacation time is earned in the current year and eligible to be used by the employee in the following year. Any unused vacation benefits that are eligible to be used in a given year are paid to the employee at the end of the year. An employee that separates from employment with the Authority is paid any vacation time unused during the current period and any vacation time earned during the year. Sick time is earned in the current year and eligible to be used by the employee as soon as it is earned. Any unused sick time is carried over and is useable in the future. An employee that retires from employment with the Authority is paid 25% of available sick time; otherwise all time is forfeited for any other termination of service. Compensated absences are not reported separately on the financial statements, they are included as part of accrued payroll and benefits.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

3. LONG TERM OBLIGATIONS - (continued)

B. Net Pension Liability/OPEB

The long-term obligations at December 31, 2021 follow:

	January 1	Increase	Decrease	December 31	Due within one year
Net pension liability	\$ 34,152,127	\$ -	\$ (9,730,473)	\$ 24,421,654	\$ -

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is as follows:

Description	Balance 1/1/2021	Addition	Disposal	Balance 12/31/2021
Capital assets not being depreciated:				
<i>Land</i>	\$ 4,694,041	\$ 24,703	\$ -	\$ 4,718,744
<i>Right-of -ways</i>	10,653,206	-	-	10,653,206
<i>Construction in Progress</i>	1,311,148	2,802,133	-	4,113,281
Total capital assets not being depreciated	<u>16,658,395</u>	<u>2,826,836</u>	<u>-</u>	<u>19,485,231</u>
Capital assets being depreciated:				
<i>Building and building improvements</i>	58,410,554	32,835	-	58,443,389
<i>Infrastructure</i>	8,983,521	-	-	8,983,521
<i>Transportation Equipment</i>	79,710,822	9,398,326	(9,440,988)	79,668,160
<i>Other equipment</i>	15,909,695	899,385	-	16,809,080
Total capital assets being depreciated	<u>163,014,592</u>	<u>10,330,546</u>	<u>(9,440,988)</u>	<u>163,904,150</u>
Less accumulated depreciation:				
<i>Building and building improvements</i>	(28,741,455)	(2,242,335)	-	(30,983,790)
<i>Infrastructure</i>	(7,396,559)	(244,931)	-	(7,641,490)
<i>Transportation Equipment</i>	(51,882,053)	(5,659,409)	4,621,521	(52,919,941)
<i>Other equipment</i>	(11,680,302)	(1,665,785)	-	(13,346,087)
Total accumulated depreciation	<u>(99,700,369)</u>	<u>(9,812,460)</u>	<u>4,621,521</u>	<u>(104,891,308)</u>
Total capital assets being depreciated, net	<u>63,314,223</u>			<u>59,012,842</u>
Total capital asset, net	<u>\$ 79,972,618</u>			<u>\$ 78,498,073</u>

5. PURCHASED TRANSPORTATION SERVICES

During 2021, the Authority had a contract with a local transportation company to provide transit services within Summit County for elderly and disabled passengers. Expenses under this contract amounted to \$1,346,902 in 2021. All passenger fares related to these transit services are collected by the Authority and recorded as revenue.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS

Net Pension Liability or Asset

The net pension liability or asset reported on the statement of net position represents a liability or asset to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability or asset represents the Authority’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability or asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

The Ohio Revised Code limits the Authority’s obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which pensions are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability or asset. Resulting adjustments to the net pension liability or asset would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability or asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in accrued payroll and benefits payable.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS – (continued)

Ohio Public Employees Retirement System

Plan Description - The Authority employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan (TP) - a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Members accumulate retirement assets equal to the value of the member and (vested) employer contributions, plus any investment earnings thereon. 3.) The Combined Plan (CP) - a cost-sharing, multiple-employer defined benefit pension plan. Employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the MD. While members may elect the member-directed plan and the combined plan, all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses mainly on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plan as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years <u>after January 7, 2013</u>	20 years of service credit prior to January 7, 2013 or eligible to retire <u>ten years after January 7, 2013</u>	Members not in other Groups and members hired on or after <u>January 7, 2013</u>
State and Local	State and Local	State and Local
Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and service requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS – (continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member’s career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member’s career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

Once a benefit recipient retiring under the Traditional Plan has received benefits for 12 months, an annual cost-of-living adjustment (COLA) is provided on the member’s base benefit. Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent. Additionally, a death benefit of \$500-\$2,500, determined by the number of years of service credit of the retiree, is paid to the beneficiary of a deceased retiree or disability benefit recipient under the Traditional and Combined Plan.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2021 Statutory maximum contribution rates	
Employer	14.00 %
Employee	10.00 %
 2021 Actual contribution rates	
Employer:	
Pension	14.00 %
Post-employment health care benefits	-
Total employer	<u>14.00 %</u>
 Employee	 <u>10.00 %</u>

The Authority’s contractually required contribution for the Traditional Pension Plan was \$3,357,525 for 2021. Of this amount, \$266,231 is reported as accrued payroll and benefits payable.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS – (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	
	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability - prior measurement date	0.1727850%	0.1692010%
Proportion of the net pension liability - current measurement date	<u>0.1649240%</u>	<u>0.1727850%</u>
Change in proportionate share	<u>-0.0078610%</u>	<u>0.0035840%</u>
Proportionate share of the net pension liability	\$24,421,654	\$34,152,127
Pension expense	(\$316,779)	\$5,529,730

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources		
Changes of assumptions	\$ -	\$ 1,824,123
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	168,629	472,190
Employer contributions subsequent to the measurement date	<u>3,357,525</u>	<u>3,251,958</u>
Total deferred outflows of resources	<u>\$ 3,526,154</u>	<u>\$ 5,548,271</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 1,021,578	\$ 431,805
Net difference between projected and actual earnings on pension plan investments	9,518,848	6,812,582
Changes in proportionate share and differences between employer contributions and proportionate share of contributions	<u>1,082,410</u>	<u>344,397</u>
Total deferred inflows of resources	<u>\$ 11,622,836</u>	<u>\$ 7,588,784</u>

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS – (continued)

\$3,357,525 reported as deferred outflows of resources related to pension resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS
Year ending December 31:	
2022	\$ (4,567,662)
2023	(1,708,109)
2024	(3,880,205)
2025	(1,298,231)
Total	\$ (11,454,207)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Experience study	5 - year period ended December 31, 2015
Wage inflation	3.25 percent
Future salary increases, including inflation -Traditional plan	3.25 percent to 10.75 percent
Future salary increases, including inflation - Combined plan	3.25 percent to 8.25 percent
COLA or Ad Hoc COLA	Pre January 7, 2013 retirees, 3 percent, simple Post January 7, 2013 retirees, 1.4 percent, simple through 2020, then 2.15 percent, simple
Investment rate of return	7.2 percent
Actuarial cost method	Individual entry age

METRO REGIONAL TRANSIT AUTHORITY
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6. DEFINED BENEFIT PENSION PLANS – (continued)

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

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 11.7% for 2020.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	<u>Weighted average long-term expected real rate of return (arithmetic)</u>
Fixed income	25.00%	1.32%
Domestic equities	21.00%	5.64%
Real estate	10.00%	5.39%
Private equity	12.00%	10.42%
International equities	23.00%	7.36%
Other investments	<u>9.00%</u>	<u>4.75%</u>
Total	<u>100.00%</u>	<u>5.43%</u>

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2021

6. DEFINED BENEFIT PENSION PLANS – (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2%) or one-percentage-point higher (8.2%) than the current rate:

	1% Decrease <u>(6.20%)</u>	Current discount rate <u>(7.20%)</u>	1% Increase <u>(8.20%)</u>
Employer proportionate share of the net pension liability	\$ 46,584,719	\$24,421,654	\$ 5,993,993

NOTE 7 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability or Asset

The net OPEB liability or asset reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability or asset represents the Authority’s proportionate share of each OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan’s fiduciary net position. The net OPEB liability or asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the Authority’s obligation for this liability to annually required payments. The Authority cannot control benefit terms or the manner in which OPEB are financed; however, the Authority does receive the benefit of employees’ services in exchange for compensation including OPEB.

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
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NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability or asset. Resulting adjustments to the net OPEB liability or asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability or asset on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in accrued payroll and benefits payable.

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the Traditional Pension and the Combined plans. This trust is also used to fund health care for Member-Directed Plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, Member-Directed Plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

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

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

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

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
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NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer’s contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2021, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2021 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contribution was \$0 for 2021.

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

The net OPEB liability or asset and total OPEB liability or asset for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The Authority's proportion of the net OPEB liability or asset was based on the Authority's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	
	<u>2021</u>	<u>2020</u>
Proportion of the net OPEB liability - prior measurement date	0.1668670%	0.1640430%
Proportion of the net OPEB liability or asset - current measurement date	<u>0.1595790%</u>	<u>0.1668670%</u>
Change in proportionate share	<u>-0.0072880%</u>	<u>0.0028240%</u>
Proportionate share of the net OPEB liability (asset)	(\$2,843,027)	\$23,048,668
OPEB expense	(\$17,735,875)	\$2,396,778

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources		
Differences between expected and actual experience	\$ -	\$ 618
Changes of assumptions	1,397,665	3,648,359
Changes in proportionate share and difference between Authority contributions and proportionate share of contributions	87,141	213,724
Total deferred outflows of resources	<u>\$ 1,484,806</u>	<u>\$ 3,862,701</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 2,565,816	\$ 2,107,907
Net difference between projected and actual earnings on OPEB plan investments	1,514,236	1,173,632
Changes of assumptions	4,606,556	-
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	621,784	248,928
Total deferred inflows of resources	<u>\$ 9,308,392</u>	<u>\$ 3,530,467</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>
Year ending December 31:	
2022	\$ (4,101,619)
2023	(2,885,518)
2024	(658,025)
2025	(178,424)
Total	<u>\$ (7,823,586)</u>

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Experience study	5 - year period ended December 31, 2015
Wage inflation	3.25 percent
Projected salary increases	3.25 to 10.75 percent (includes wage inflation at 3.25 percent)
Single discount rate:	
Current measurement date	6.00 percent
Prior measurement date	3.16 percent
Investment rate of return	6.00 percent
Municipal bond rate	2.00 percent
Health care cost trend rate	8.50 percent, initial 3.50 percent, ultimate in 2035
Actuarial cost method	Individual entry age normal

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

METRO REGIONAL TRANSIT AUTHORITY
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Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2020, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is 10.5 percent for 2020.

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2020 and the long-term expected real rates of return:

<u>Asset class</u>	<u>Target allocation</u>	Weighted average long-term expected real rate of return <u>(arithmetic)</u>
Fixed income	34.00%	1.07%
Domestic equities	25.00%	5.64%
Real estate investment trust	7.00%	6.48%
International equities	25.00%	7.36%
Other investments	<u>9.00%</u>	<u>4.02%</u>
Total	<u>100.00%</u>	<u>4.43%</u>

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

Discount Rate A single discount rate of 6.00 percent was used to measure the OPEB liability on the measurement date of December 31, 2020. A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.00 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2120. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2120, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability or asset to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net OPEB liability or asset calculated using the single discount rate of 6.00 percent, as well as what the Authority's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

	1% Decrease <u>(5.00%)</u>	Current discount rate <u>(6.00%)</u>	1% Increase <u>(7.00%)</u>
Proportionate share of the net OPEB liability/(asset)	\$ (707,267)	\$ (2,843,027)	\$ (4,598,461)

Sensitivity of the Authority's Proportionate Share of the Net OPEB Liability or asset to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

	1% Decrease	Current health care cost trend rate <u>assumption</u>	1% Increase
Proportionate share of the net OPEB liability/(asset)	(\$2,912,019)	(\$2,843,027)	(\$2,765,022)

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

NOTE 7 – DEFINED BENEFIT OPEB PLANS – (continued)

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2021 is 8.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

8. FEDERAL AND STATE GRANTS, REIMBURSEMENTS AND SPECIAL FARE ASSISTANCE

Grants, reimbursements and special fare assistance in the statements of revenues and expenses for the year ended December 31, 2021, are listed in the table below.

FEDERAL:	<u>2021</u>
FTA Maintenance and Other Assistance	\$ 17,167,584
FTA Capital Contribution	<u>5,185,441</u>
Total	<u>\$ 22,353,025</u>
STATE:	
Fuel Tax Reimbursement	\$ 140,250
Other State Assistance	<u>1,384,839</u>
Total	<u>\$ 1,525,089</u>

9. RISK MANAGEMENT

Since December 31, 1994, the Authority has been a member of the Ohio Transit Risk Pool (OTRP), a joint self-insurance pool, created pursuant to Section 2744.081 of the Ohio Revised Code. OTRP has been in existence since 1994 and operates pursuant to By-Laws and a Board of Trustees. OTRP provides self-insurance through risk retention and the group purchase of property and liability coverage from A-rated, or greater, commercial carriers.

During the loss year of 2020, OTRP provided to the Authority commercial property coverage with limits of \$200,000,000. The pool retained the first \$100,000 of these losses. For auto-physical damage the pool provided \$50,000,000 in coverage and retained \$250,000. For crime the pool provided \$4,000,000 in coverage. METRO's deductible for property coverage is \$1,000 except for physical damage which was \$25,000. For Auto Liability, General Liability, E&O and EBL the pool provided \$10,000,000 per occurrence. For each of these lines the pool retained \$2,000,000 per occurrence. METRO's deductible for all liability claims was \$5,000 for 2020.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

9. RISK MANAGEMENT – (continued)

OTRP provides to the Treasurer of the Authority a bond as is required by Ohio law.

As of January 1, 2021, the Authority has met all obligations to OTRP. The Authority pays OTRP through an initial contribution for purchased insurance and quarterly payments for their self-insured loss and administrative costs. The Authority's contribution percentage for 2021 loss year was 17.75%.

The Authority continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. There has not been a reduction in coverage from the prior year and claims have not exceeded the coverage in any of the past three years.

The Authority pays the State of Ohio Worker's Compensation System a premium based on a rate per \$100 of salaries. The Authority's contributions allocated to fund Worker's Compensation benefits for the year ended December 31, 2021 was \$401,522. The full amount has been contributed for 2021.

10. CONTINGENCIES

The Authority received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these grants requires compliance with terms and conditions specified in the grant agreements. These grants are subject to audit by the grantor agencies and disallowed claims resulting from these audits could become a liability of the Authority.

At December 31, 2021, there were no material questioned costs that had not been resolved with appropriate federal and state agencies. Questioned costs could still be identified during audits to be conducted in the future. In the opinion of the Authority's management, no material grant expenses will be disallowed.

11. COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. The Authority's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses will be realized in subsequent periods, if any, cannot be determined.

METRO REGIONAL TRANSIT AUTHORITY
Summit County
Notes to the Financial Statements
For the Year Ended December 31, 2021

12. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events for potential recognition and/or disclosure through the date of the financial statements. Management believes that any ongoing litigation in the normal course of business will not materially affect the Authority's financial results or financial position.

REQUIRED SUPPLEMENTARY INFORMATION

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Metro Regional Transit Authority

Required Supplementary Information

Schedule of Metro Regional Transit Authority Proportionate Share of the Net Pension Liability Last Eight Years (1)

	2021	2020	2019
Ohio Public Employees Retirement System (OPERS) - Traditional Plan			
Authority's proportion of the net pension liability	0.1649240%	0.1727850%	0.1684960%
Authority's proportionate share of the net pension liability	\$ 24,421,654	\$ 34,152,127	\$ 46,147,638
Authority's covered payroll	\$ 23,228,271	\$ 24,310,343	\$ 23,680,693
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	105.14%	140.48%	194.87%
Plan fiduciary net position as a percentage of total pension liability	86.88%	82.17%	74.70%

(1) Information prior to 2014 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

2018	2017	2016	2015	2014
0.1755800%	0.1765750%	0.1633140%	0.1589510%	0.1589510%
\$ 27,545,098	\$ 40,097,180	\$ 28,288,044	\$ 19,171,267	\$ 18,738,252
\$ 23,178,338	\$ 21,775,667	\$ 20,524,750	\$ 19,455,183	\$ 18,486,369
118.84%	184.14%	137.82%	98.54%	101.36%
84.66%	77.25%	81.08%	86.45%	86.36%

Metro Regional Transit Authority
 Required Supplementary Information
 Schedule of Metro Regional Transit Authority Contributions - Pension
 Last Nine Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Ohio Public Employees Retirement System (OPERS) - Traditional Plan			
Contractually required contribution - Pension	\$ 3,357,525	\$ 3,251,958	\$ 3,403,448
Contributions in relation to contractually required contribution	<u>(3,357,525)</u>	<u>(3,251,958)</u>	<u>(3,403,448)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority covered payroll	\$ 23,982,321	\$ 23,228,271	\$ 24,310,343
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%

(1) Information prior to 2013 is not available.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 3,315,297	\$ 3,013,184	\$ 2,613,080	\$ 2,462,970	\$ 2,334,622	\$ 2,403,228
<u>(3,315,297)</u>	<u>(3,013,184)</u>	<u>(2,613,080)</u>	<u>(2,462,970)</u>	<u>(2,334,622)</u>	<u>(2,403,228)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,680,693	\$ 23,178,338	\$ 21,775,667	\$ 20,524,750	\$ 19,455,183	\$ 18,486,369
14.00%	13.00%	12.00%	12.00%	12.00%	13.00%

Metro Regional Transit Authority

Required Supplementary Information

Schedule of Metro Regional Transit Authority Proportionate Share of the Net OPEB Liability or Asset Last Five Years (1)

	2021	2020	2019
Ohio Public Employees Retirement System (OPERS)			
Authority's proportion of the net OPEB liability or asset	0.1595790%	0.1668670%	0.1640430%
Authority's proportionate share of the net OPEB liability (asset)	\$ (2,843,027)	\$ 23,048,668	\$ 21,387,335
Authority's covered payroll	\$ 23,228,271	\$ 24,310,343	\$ 23,680,693
Authority's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-12.24%	94.81%	90.32%
Plan fiduciary net position as a percentage of total OPEB liability or asset	115.57%	47.80%	46.33%

(1) Information prior to 2017 is not available and the amounts presented are as of the Authority's measurement date which is the prior year end.

<u>2018</u>	<u>2017</u>
0.1706120%	0.1726640%
\$ 18,527,206	\$ 17,439,650
\$ 23,178,338	\$ 21,775,667
79.93%	80.09%
54.14%	54.05%

Metro Regional Transit Authority
 Required Supplementary Information
 Schedule of Metro Regional Transit Authority Contributions - OPEB
 Last Nine Years (1)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Ohio Public Employees Retirement System (OPERS)				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority covered payroll	\$ 23,982,321	\$ 23,228,271	\$ 24,310,343	\$ 23,680,693
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2013 is not available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 241,441	\$ 458,435	\$ 427,599	\$ 405,316	\$ 192,566
<u>(241,441)</u>	<u>(458,435)</u>	<u>(427,599)</u>	<u>(405,316)</u>	<u>(192,566)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,178,338	\$ 21,775,667	\$ 20,524,750	\$ 19,455,183	\$ 18,486,369
1.00%	2.00%	2.00%	2.00%	1.00%

Metro Regional Transit Authority

Notes to Required Supplementary Information

For the Year Ended December 31, 2021

Pension

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for 2021. See the notes to the basic financials for the methods and assumptions in this calculation.

OPEB

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for 2021. See the notes to the basic financials for the methods and assumptions in this calculation.

Statistical Section

**METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY, OHIO
2021 (Unaudited)**

Statistical Section

This part of the Authority's Annual Comprehensive 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.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	66-72
Revenue Capacity	
These schedules contain information to help the reader assess the Authority's most significant local revenue source, the sales tax.	73-75
Debt Capacity	
Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.	76
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.	77-79
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information on the Authority's financial report relates to the services the Authority provides and the activities it performs.	80-83

METRO Regional Transit Authority

NET POSITION BY COMPONENT FOR THE LAST TEN FISCAL YEARS

(Unaudited)

TABLE 1

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
NET POSITION					
Net Investment in capital assets	\$ 78,498,073	\$ 79,972,618	\$ 81,356,197	\$ 88,641,026	\$ 93,767,594
Unrestricted	<u>82,610,350</u>	<u>38,574,587</u>	<u>13,164,566</u>	<u>13,406,369</u>	<u>9,207,002</u>
TOTAL NET POSITION	<u><u>\$ 161,108,423</u></u>	<u><u>\$ 118,547,205</u></u>	<u><u>\$ 94,520,763</u></u>	<u><u>\$ 102,047,395</u></u>	<u><u>\$ 102,974,596</u></u>
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
NET POSITION					
Net Investment in capital assets	\$ 94,402,997	\$ 89,241,815	\$ 85,936,603	\$ 77,054,974	\$ 70,595,408
Unrestricted	<u>32,102,411</u>	<u>34,115,012</u>	<u>45,797,451</u>	<u>41,056,282</u>	<u>34,217,925</u>
TOTAL NET POSITION	<u><u>\$ 126,505,408</u></u>	<u><u>\$ 123,356,827</u></u>	<u><u>\$ 131,734,054</u></u>	<u><u>\$ 118,111,256</u></u>	<u><u>\$ 104,813,333</u></u>

Source: METRO's audited annual financial statements

METRO Regional Transit Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE LAST TEN FISCAL YEARS (Unaudited)

TABLE 2

	2021	2020	2019	2018	2017
OPERATING REVENUES:					
Passenger fares	\$ 1,786,332	\$ 1,728,569	\$ 3,633,758	\$ 3,702,602	\$ 3,792,434
Advertising and concessions	273,505	467,383	574,484	584,334	473,562
TOTAL OPERATING REVENUE	2,059,837	2,195,952	4,208,242	4,286,936	4,265,996
OPERATING EXPENSES					
Labor	23,258,842	23,094,596	23,593,758	23,318,946	22,725,196
Fringe benefits	(4,562,449)	19,025,865	23,131,630	20,593,032	18,026,874
Materials and supplies and fuel	5,089,084	5,208,505	5,919,215	5,642,583	5,436,604
Services	3,855,356	3,672,224	3,150,268	3,503,955	2,861,282
Utilities	998,952	904,406	995,362	918,551	956,330
Casualty and liability	935,275	1,043,110	1,082,084	830,189	1,691,192
Taxes	141,932	182,846	175,160	139,059	149,207
Purchased transportation service	1,346,902	1,302,601	2,030,270	1,924,830	1,763,857
Miscellaneous	290,143	351,326	465,098	412,372	467,124
TOTAL OPERATING EXPENSES	31,354,037	54,785,479	60,542,845	57,283,517	54,077,666
BEFORE DEPRECIATION EXPENSE	31,354,037	54,785,479	60,542,845	57,283,517	54,077,666
OPERATING LOSS					
BEFORE DEPRECIATION EXPENSE	(29,294,200)	(52,589,527)	(56,334,603)	(52,996,581)	(49,811,670)
Depreciation expense	9,812,460	9,717,664	9,516,241	10,070,589	10,369,813
OPERATING LOSS	(39,106,660)	(62,307,191)	(65,850,844)	(63,067,170)	(60,181,483)
NON-OPERATING REVENUES (EXPENSES)					
Sales tax revenue	55,349,037	49,541,450	48,552,050	49,142,903	46,668,426
Federal operating grants and reimbursements	17,167,584	27,965,133	5,580,096	3,644,841	2,530,192
State operating grants and special fare assistance	1,525,089	3,449,689	169,318	135,739	686,166
Student fare and other assistance	1,559,749	1,356,842	1,531,202	1,850,434	1,709,021
Medicaid transition sales tax	-	-	-	2,500,246	1,157,820
Lottery ticket sales revenue	-	-	-	37,898	127,034
Interest income	(286,363)	436,959	816,510	233,684	113,554
Gain (Loss) from disposal of assets	94,427	6,705	53,614	-	13,380
Other	1,072,918	3,282,873	698,748	757,008	712,753
NON-OPERATING REVENUES/EXPENSES - NET	76,482,441	86,039,651	57,401,538	58,302,753	53,718,346
CAPITAL CONTRIBUTIONS					
Capital Contributions	5,185,441	293,982	922,674	3,837,216	130,534
CHANGE IN NET POSITION					
Net Position, Beginning Balance	118,547,205	94,520,763	102,047,395	120,172,805	126,505,408
Cumulative effect of change in accounting principle*	-	-	-	(17,198,209)	-
Net Position, Ending Balance	\$ 161,108,427	\$ 118,547,205	\$ 94,520,763	\$ 102,047,395	\$ 120,172,805

Source: METRO's audited annual financial statements

* GASB 68 implemented during 2015

* GASB 75 implemented during 2018

METRO Regional Transit Authority

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE LAST TEN FISCAL YEARS (Unaudited)

TABLE 2 (continued)

	2016	2015	2014	2013	2012
OPERATING REVENUES:					
Passenger fares	\$ 4,100,559	\$ 4,428,054	\$ 4,941,683	\$ 4,998,875	\$ 4,846,581
Advertising and concessions	475,218	417,915	443,133	451,535	405,113
TOTAL OPERATING REVENUE	<u>4,575,777</u>	<u>4,845,969</u>	<u>5,384,816</u>	<u>5,450,410</u>	<u>5,251,694</u>
OPERATING EXPENSES					
Labor	22,055,895	20,586,041	19,024,350	17,836,348	16,649,367
Fringe benefits	14,801,005	11,736,750	10,086,226	9,886,508	10,108,654
Materials and supplies and fuel	4,841,532	5,447,931	5,745,162	6,041,098	6,259,905
Services	2,317,013	2,516,684	2,712,750	2,198,643	2,349,651
Utilities	739,511	913,740	691,099	539,188	539,714
Casualty and liability	1,450,188	1,262,850	1,268,181	1,163,565	1,099,473
Taxes	172,240	183,769	194,698	228,390	273,560
Purchased transportation service	1,718,313	1,229,441	807,710	611,026	834,256
Miscellaneous	511,478	376,597	413,348	453,314	467,333
TOTAL OPERATING EXPENSES	<u>48,607,175</u>	<u>44,253,803</u>	<u>40,943,524</u>	<u>38,958,080</u>	<u>38,581,913</u>
BEFORE DEPRECIATION EXPENSE	48,607,175	44,253,803	40,943,524	38,958,080	38,581,913
OPERATING LOSS					
BEFORE DEPRECIATION EXPENSE	(44,031,398)	(39,407,834)	(35,558,708)	(33,507,670)	(33,330,219)
Depreciation expense	9,374,581	8,628,338	9,231,103	8,513,768	6,920,312
OPERATING LOSS	<u>(53,405,979)</u>	<u>(48,036,172)</u>	<u>(44,789,811)</u>	<u>(42,021,438)</u>	<u>(40,250,531)</u>
NON-OPERATING REVENUES (EXPENSES)					
Sales tax revenue	46,784,297	44,896,182	43,346,649	39,769,341	39,686,825
Federal operating grants and reimbursements	4,683,361	4,243,338	4,826,204	4,718,920	5,962,190
State operating grants and special fare assistance	165,441	177,512	251,223	218,943	260,230
Student fare and other assistance	1,160,333	809,188	545,528	434,480	487,357
Interest income	236,441	146,698	102,124	35,095	73,074
Interest expense	-	-	(3,350)	(10,250)	(15,000)
Gain (Loss) from disposal of assets	63,106	8,125	26,883	46,064	(75,107)
Other	575,135	860,030	262,865	473,903	562,911
NON-OPERATING REVENUES/EXPENSES - NET	<u>53,668,114</u>	<u>51,141,073</u>	<u>49,358,126</u>	<u>45,686,496</u>	<u>46,942,480</u>
CAPITAL CONTRIBUTIONS					
Capital Grant Contributions	2,886,446	4,921,502	9,054,483	9,837,865	12,919,135
CHANGE IN NET POSITION	3,148,581	8,026,403	13,622,798	13,502,923	19,611,084
Net Position, Beginning Balance	123,356,827	131,734,054	118,111,256	104,608,333	84,997,249
Cumulative effect of change in accounting principle	-	(16,403,630)	-	-	-
Net Position, Ending Balance	<u>\$ 126,505,408</u>	<u>\$ 123,356,827</u>	<u>\$ 131,734,054</u>	<u>\$ 118,111,256</u>	<u>\$ 104,608,333</u>

Source: METRO's audited annual financial statements

METRO Regional Transit Authority

Revenue and Operating Assistance - Comparison to Industry Trend Data

Last Ten Years

(Unaudited)

TABLE 3

TRANSPORTATION INDUSTRY (1):

YEAR	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE			TOTAL	TOTAL REVENUES
	PASSENGER	OTHER (2)	TOTAL	LOCAL	STATE	FEDERAL		
2012	32.5%	4.6%	37.1%	28.4%	25.6%	8.9%	62.9%	100.0%
2013	32.5%	3.8%	36.3%	28.7%	26.1%	8.9%	63.7%	100.0%
2014	32.0%	3.9%	35.9%	30.1%	25.4%	8.6%	64.1%	100.0%
2015	32.5%	4.9%	37.4%	31.1%	23.2%	8.3%	62.6%	100.0%
2016	31.3%	5.0%	36.3%	31.4%	24.2%	8.0%	63.7%	100.0%
2017	31.4%	5.0%	36.3%	32.2%	23.0%	8.5%	63.7%	100.0%
2018	30.7%	5.4%	36.0%	32.6%	22.7%	8.6%	64.0%	100.0%
2019	29.5%	4.5%	34.0%	35.1%	22.9%	7.9%	66.0%	100.0%
2020*								
2021*								

METRO Regional Transit Authority

YEAR	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE			TOTAL	TOTAL REVENUES
	PASSENGER	OTHER (2)	TOTAL	LOCAL	STATE	FEDERAL		
2012	9.3%	2.0%	11.3%	76.8%	0.5%	11.4%	88.7%	100.0%
2013	10.0%	2.0%	12.0%	78.1%	0.4%	9.5%	88.0%	100.0%
2014	8.9%	1.4%	10.3%	80.6%	0.4%	8.7%	89.7%	100.0%
2015	8.0%	2.5%	10.5%	81.6%	0.3%	7.6%	89.5%	100.0%
2016	7.0%	2.3%	9.3%	82.4%	0.3%	8.0%	90.7%	100.0%
2017	6.5%	2.3%	8.8%	85.6%	1.2%	4.4%	91.2%	100.0%
2018	5.9%	2.5%	8.4%	85.4%	0.2%	6.0%	91.6%	100.0%
2019	5.9%	3.5%	9.4%	81.3%	0.2%	9.1%	90.6%	100.0%
2020	2.0%	4.8%	6.7%	57.7%	3.9%	31.7%	93.3%	100.0%
2021	2.3%	1.5%	3.7%	72.5%	1.9%	21.9%	96.3%	100.0%

(1) Source: The American Public Transit Association, "APTA 2020 Fact Book Appendix A Table 87"

(2) Includes auxiliary transportation revenues, interest, and other non-transportation revenues

* Information not available

METRO Regional Transit Authority

Operating Expenses - Comparison to Industry Trend Data

Last Ten Years
(Unaudited)

TABLE 4

TRANSPORTATION INDUSTRY (1):

<u>Year</u>	<u>Labor & Fringes</u>	<u>Material & Supplies</u>	<u>Services</u>	<u>Utilities</u>	<u>Casualty & Liability</u>	<u>Purchased Transportation</u>	<u>Other</u>	<u>Total Expenses</u>
2012	64.0%	11.7%	6.9%	3.2%	2.2%	13.9%	-1.9%	100.0%
2013	60.7%	11.2%	7.1%	3.1%	2.4%	13.7%	1.8%	100.0%
2014	61.1%	11.0%	6.9%	3.2%	2.5%	13.6%	1.7%	100.0%
2015	61.5%	9.8%	7.3%	3.0%	2.4%	14.1%	1.9%	100.0%
2016	62.8%	8.9%	7.6%	2.7%	2.7%	13.7%	1.6%	100.0%
2017	61.9%	8.7%	8.0%	2.8%	2.8%	14.2%	1.6%	100.0%
2018	61.5%	8.7%	8.3%	2.9%	2.6%	14.5%	1.5%	100.0%
2019	60.9%	8.5%	8.8%	2.7%	2.7%	15.0%	1.4%	100.0%
2020*								
2021*								

METRO Regional Transit Authority (2)

<u>Year</u>	<u>Labor & Fringes</u>	<u>Material & Supplies</u>	<u>Services</u>	<u>Utilities</u>	<u>Casualty & Liability</u>	<u>Purchased Transportation</u>	<u>Other</u>	<u>Total Expenses</u>
2012	69.3%	16.2%	6.1%	1.4%	2.8%	2.2%	2.0%	100.0%
2013	71.1%	15.5%	5.6%	1.4%	3.0%	1.6%	1.8%	100.0%
2014	71.1%	14.0%	6.6%	1.7%	3.1%	2.0%	1.5%	100.0%
2015	73.0%	12.3%	5.7%	2.1%	2.9%	2.8%	1.2%	100.0%
2016	75.8%	10.0%	4.8%	1.5%	3.0%	3.5%	1.4%	100.0%
2017	75.4%	10.1%	5.3%	1.8%	3.1%	3.3%	1.1%	100.0%
2018	76.7%	9.9%	6.1%	1.6%	1.4%	3.4%	1.0%	100.0%
2019	77.2%	9.8%	5.2%	1.6%	1.8%	3.4%	1.1%	100.0%
2020	76.9%	9.5%	6.7%	1.7%	1.9%	2.4%	1.0%	100.0%
2021	59.6%	16.2%	12.3%	3.2%	3.0%	4.3%	1.4%	100.0%

(1) Source: The American Public Transit Association, "APTA 2020 Fact Book Appendix A Table 70"

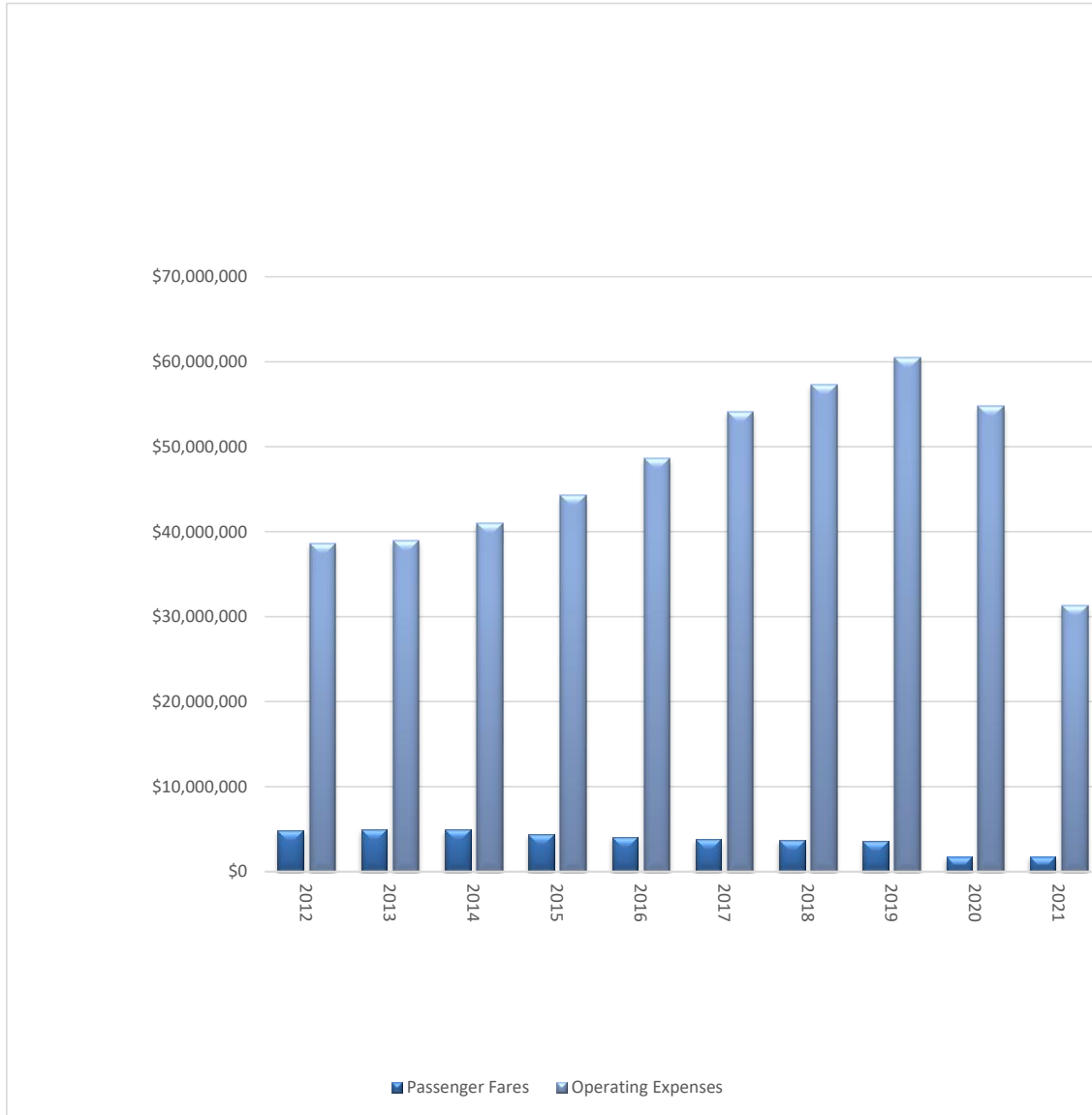
(2) Source: METRO's annual financial audited statements

* Information not available

METRO Regional Transit Authority

Passenger Fares vs. Operating Expenses - Last Ten Years

TABLE 5



METRO Regional Transit Authority

Sales Tax - Comparison to Other Regional Transit Authorities in Ohio

Last Ten Years
(Unaudited)

TABLE 6

System	Rate	Date Imposed	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GCRTA	1.00%	Oct 1, 1975	181,219,251	189,630,644	197,118,145	205,843,322	218,749,850	213,718,147	204,331,707	212,192,079	210,147,468	239,341,749
COTA	0.50%	Jan 1, 2008	104,479,130	110,049,661	114,310,238	124,725,270	155,121,245	130,475,584	129,263,778	123,622,039	121,924,429	139,774,570
Laketrans	0.25%	Aug 1, 1988	7,843,548	8,142,460	8,500,479	8,832,168	9,259,352	9,200,779	9,211,771	9,507,546	15,001,057	22,367,759
WRTA	0.25%	Apr 1, 2009	7,590,580	7,886,661	8,358,590	8,580,592	8,700,361	8,695,139	8,288,017	8,550,054	8,789,839	10,052,650
MVRTA	0.50%	Jul 1, 1980	34,312,875	35,290,373	36,771,641	39,246,288	41,441,781	40,679,882	38,026,154	39,441,540	40,754,041	45,714,810
PARTA	0.25%	Feb 1, 2002	4,319,281	4,496,596	4,859,656	5,156,388	5,250,706	5,320,630	5,262,660	5,455,165	5,801,971	6,782,195
SARTA	0.25%	Jul 1, 1997	12,401,259	12,954,397	13,555,026	14,412,060	14,595,763	14,867,817	14,585,440	14,880,943	15,042,836	17,115,132
METRO	0.50%	Jul 1, 2008	37,713,252	39,320,306	42,168,538	44,190,357	46,205,876	46,271,616	44,638,154	46,298,041	49,053,203	53,499,068
ACRTA	0.10%	Oct 1, 2019	a	a	a	a	a	a	a	8,990	1,737,496	1,909,731
DCT	0.18%	Jan 1, 2019	a	a	a	a	a	a	a	9,368,940	9,052,322	10,746,415
LFPT	0.15%	Jan 1, 2019	a	a	a	a	a	a	a	1,540,637	1,450,136	1,664,945
LCT	0.20%	Jan 1, 2019	a	a	a	a	a	a	a	420,073	388,385	498,162
UCATS	0.18%	Jan 1, 2019	a	a	a	a	a	a	a	167,255	172,051	190,947

Source: Figures shown are from records of the Revenue Accounting Division of the Ohio Department of Taxation

Note: These figures are net of the 1% administration fee.

These amounts are based on month sales tax collected, the distribution occurs two months following the collection month.

Numbers are on a cash basis.

* ACRTA established their sales tax percent at .10% on October 1, 2019

* DCT established their sales tax percent at .175% on January 1, 2019

* LFPT established their sales tax percent at .15% on January 1, 2019

* LCT established their sales tax percent at .20% on January 1, 2019

* UCATS established their sales tax percent at .175% on January 1, 2019

a - No sales tax collected during that year

METRO Regional Transit Authority

Revenues by Source - Last Ten Years (Unaudited)

TABLE 7

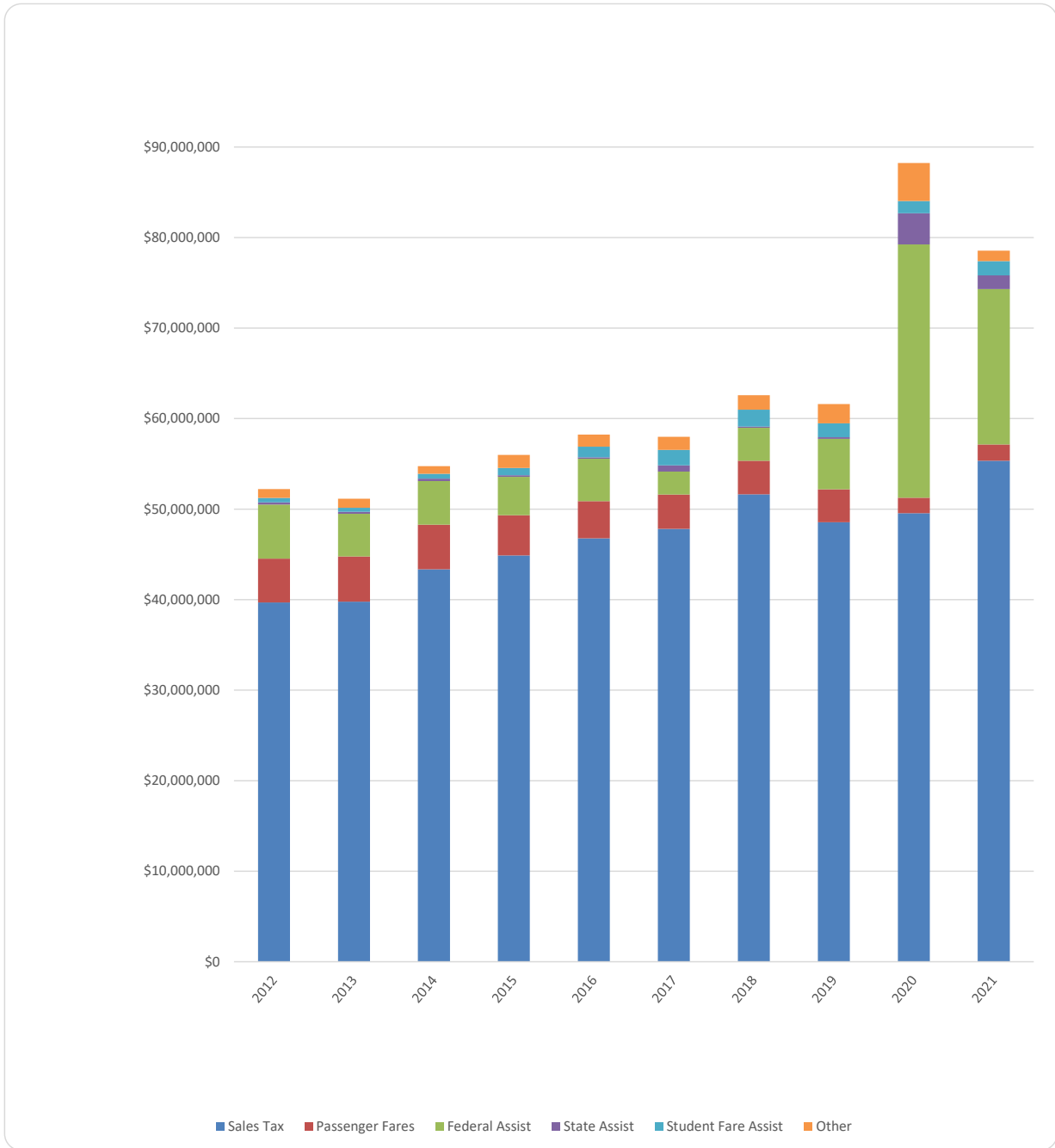
Operating Revenues	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Passengers Fares	\$4,846,581	\$4,998,875	\$4,941,683	\$4,428,054	\$4,100,559	\$3,792,434	\$3,702,602	\$3,633,758	\$1,728,569	\$1,786,332
Advertising	405,113	451,535	443,133	417,915	475,218	473,562	584,334	574,484	467,383	273,505
Total operating revenues	5,251,694	5,450,410	5,384,816	4,845,969	4,575,777	4,265,996	4,286,936	4,208,242	2,195,952	2,059,837
Non-operating Revenues										
Sales Tax revenue	39,686,825	39,769,341	43,346,649	44,896,182	46,784,297	46,668,426	49,142,903	48,552,050	49,541,450	55,349,037
Federal grants	5,962,190	4,718,920	4,826,204	4,243,338	4,683,361	2,530,192	3,644,841	5,580,096	27,965,133	17,167,584
State grants	260,230	218,943	251,223	177,512	165,441	686,166	135,739	169,318	3,449,689	1,525,089
Medicaid transition sales tax	0	0	0	0	0	1,157,820	2,500,246	0	0	0
Student fares assistance	487,357	434,480	545,528	809,188	1,160,333	1,709,021	1,850,434	1,531,202	1,356,842	1,559,745
Lottery ticket sales	0	0	0	0	0	127,034	37,898	0	0	0
Interest income	73,074	35,095	102,124	146,698	236,441	113,554	233,684	816,510	436,959	(286,363)
Gain (loss) from disposal of assets	(75,107)	46,064	26,883	8,125	63,106	13,380	0	53,614	6,705	94,427
Other non-transportation revenue	562,911	473,903	262,865	860,030	575,135	712,753	757,008	698,748	3,282,873	1,072,918
Total non-operating revenues	46,957,480	45,696,746	49,361,476	51,141,073	53,668,114	53,718,346	58,302,753	57,401,538	86,039,651	76,482,437
Total Revenues	\$52,209,174	\$51,147,156	\$54,746,292	\$55,987,042	\$58,243,891	\$57,984,342	\$62,589,689	\$61,609,780	\$88,235,603	\$78,542,274

Source: METRO's independently audited annual financial statements

METRO REGIONAL TRANSIT AUTHORITY

Revenue by Source - Last Ten Years

TABLE 8



METRO Regional Transit Authority

Expenses by Object Class - Last Ten years (Unaudited)

TABLE 9

Operating Expenses	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Labor	\$16,649,367	\$17,836,348	\$19,024,350	\$20,586,041	\$22,055,895	\$22,725,196	\$23,318,946	\$23,593,758	\$23,094,596	\$23,258,842
Fringe Benefits	10,108,654	9,886,508	10,086,226	11,736,750	14,801,005	18,026,874	20,593,032	23,131,630	19,025,865	-4,562,449
Materials and Supplies	6,259,905	6,041,098	5,745,162	5,447,931	4,841,532	5,436,604	5,642,583	5,919,215	5,208,505	5,089,084
Services	2,349,651	2,198,643	2,712,750	2,516,684	2,317,013	2,861,282	3,503,955	3,150,268	3,672,224	3,855,356
Utilities	539,714	539,188	691,099	913,740	739,511	956,330	918,551	995,362	904,406	998,952
Casualty and Liability	1,099,473	1,163,565	1,268,181	1,262,850	1,450,188	1,691,192	830,189	1,082,084	1,043,110	935,275
Taxes	273,560	228,390	194,698	183,769	172,240	149,207	139,059	175,160	182,846	141,932
Purchased Transportation	834,256	611,026	807,710	1,229,441	1,718,313	1,763,857	1,924,830	2,030,270	1,302,601	1,346,902
Interest Expense	15,000	10,250	3,350	0	0	0	0	0	0	0
Miscellaneous	467,333	453,314	413,348	376,597	511,478	467,124	412,372	465,098	351,326	290,143
Total	38,596,913	38,968,330	40,946,874	44,253,803	48,607,175	54,077,666	57,283,517	60,542,845	54,785,479	31,354,037
Depreciation	6,920,312	8,513,768	9,231,103	8,628,338	9,374,581	10,369,813	10,070,589	9,516,241	9,717,664	9,812,460
Total Expenses	\$45,517,225	\$47,482,098	\$50,177,977	\$52,882,141	\$57,981,756	\$64,447,479	\$67,354,106	\$70,059,086	\$64,503,143	\$41,166,497

Source: METRO's audited annual financial statements

METRO Regional Transit Authority

Debt Service

(Unaudited)

TABLE 10

<u>YEAR</u>	<u>GENERAL OBLIGATION BONDS (1)</u>	<u>POPULATION (2)</u>	<u>TOTAL PERSONAL INCOME (3)</u>	<u>PERCENTAGE OF PERSONAL INCOME</u>	<u>BOND DEBT PER CAPITA</u>
2012	205,000	541,716	22,650,793	0.001%	\$0.38
2013	105,000	541,601	23,065,307	0.000%	\$0.19
2014	0	542,095	24,136,109	0.000%	\$0.00
2015	0	541,270	24,812,858	0.000%	\$0.00
2016	0	540,394	25,060,119	0.000%	\$0.00
2017	0	541,228	26,611,223	0.000%	\$0.00
2018	0	541,918	28,879,352	0.000%	\$0.00
2019	0	541,810	30,042,280	0.000%	\$0.00
2020	0	540,428	31,788,515	0.000%	\$0.00
2021	0	537,633	*	*	\$0.00

(1) Total principal due on all outstanding debt.

(2) U.S. Bureau of Census, Bureau of Labor Statistics, Population for Summit County, Ohio.
The population estimate was revised for 2010 - 2016.

(3) U. S. Bureau of Economic Analysis, Total Personal Income (TPI) estimates are in thousands of dollars, not adjusted for inflation.
The total personal income estimate was revised for 2010 - 2016.

* Personal income 2021 data is not available

METRO Regional Transit Authority

Demographic Statistics

Last Ten Years

(Unaudited)

TABLE 11

<u>Year</u>	<u>Population</u> (1)	<u>Per Capita</u> <u>Income</u> (2)	<u>Personal</u> <u>Income</u> (2)	<u>K - 12 School</u> <u>Enrollment</u> (3)	<u>Unemployment</u> <u>Rate</u> (4)
2012	541,716	41,865	22,650,793	75,084	6.8%
2013	541,601	42,561	23,065,307	74,283	6.9%
2014	542,095	44,510	24,136,109	71,417	5.8%
2015	541,270	45,838	24,812,858	70,682	5.7%
2016	540,394	46,382	25,060,119	70,442	5.0%
2017	541,228	49,168	26,611,223	70,529	4.9%
2018	541,918	53,291	28,879,352	70,574	4.9%
2019	541,810	55,448	30,042,280	70,265	4.0%
2020(a)	540,428	58,821	31,788,515	70,142	6.2%
2021	537,633	(b)	(b)	67,807	3.7%

Note: All information is presented for Summit County, Ohio

Personal Income (\$000)

Sources: (1) U.S. Bureau of Census, Bureau of Labor Statistics

(2) Bureau of Economic Analysis. The population, total personal income and per capital income estimates were revised for 2010-2018.

(3) Ohio Department of Education - enrollment data

(4) Bureau of Labor Statistics

(a) 2020 data was revised with latest available information.

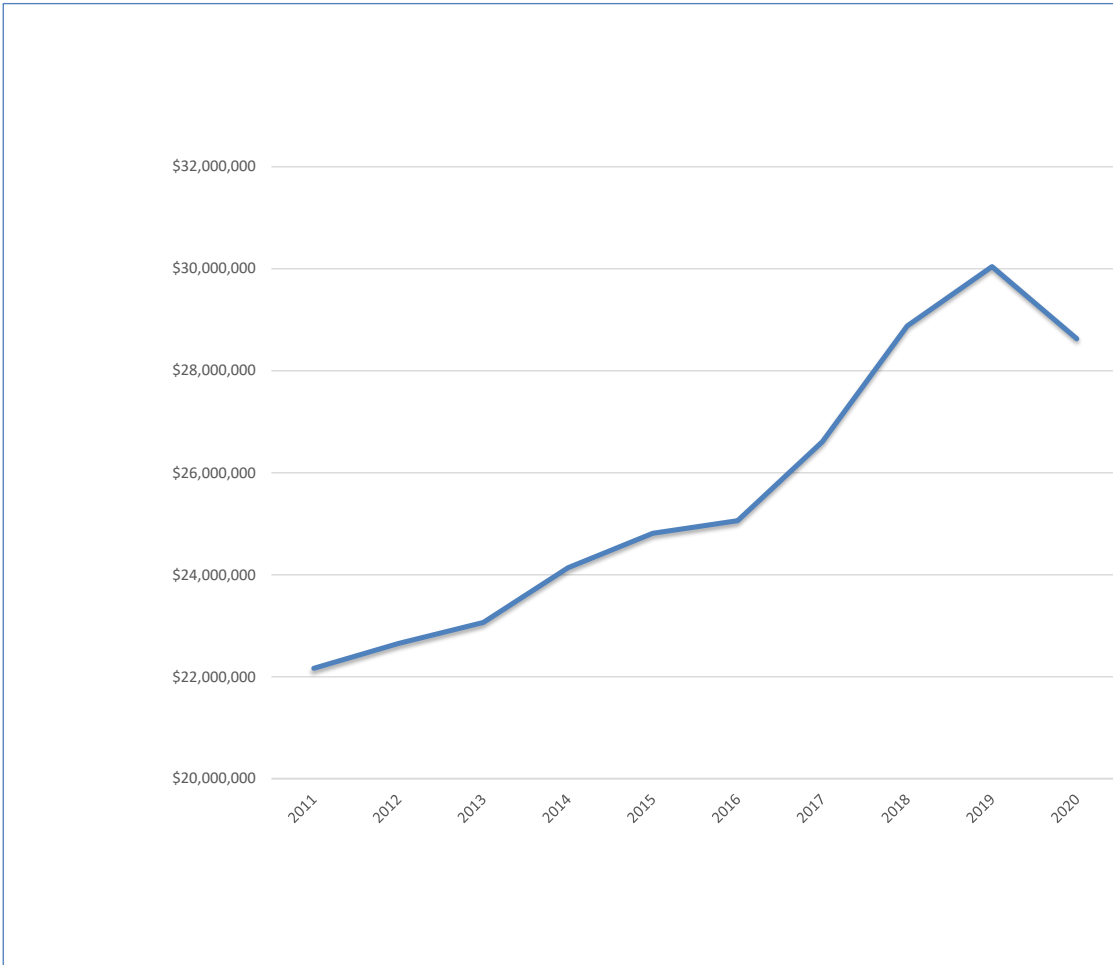
(b) Per inquiry with the US Bureau of Economic Analytis, the 2021 data will be available on November 16, 2022.

METRO Regional Transit Authority

Personal Income of Summit County, Ohio

Last Ten Years

TABLE 12



Source: Bureau of Economic Statistics
Notes: Personal Income (\$000); 2020 is the last year data is available

METRO Regional Transit Authority

Summit County, Ohio - Largest Employers

(Unaudited)

TABLE 13

Company/Organization	2020		
	Employees	Rank	Percent of Total County
Summa Health System	5,524	1	2.1%
Akron Children's Hospital	4,019	2	1.5%
Cleveland Clinic - Akron General	3,840	3	1.4%
Akron School District	3,576	4	1.3%
Goodyear Tire & Rubber Company	3,000	5	1.1%
County of Summit	2,816	6	1.1%
First Energy Corp.	2,566	7	1.0%
Signet Jewelers	2,120	8	0.8%
City of Akron	1,980	9	0.7%
The University of Akron	1,873	10	0.7%
Total Labor Force - Summit County	266,190		

Company/Organization	2011		
	Employees	Rank	Percent of Total County
Summa Health System	6,988	1	2.8%
Akron General Health System	3,698	2	1.5%
Akron School District	3,370	3	1.3%
County of Summit	3,357	4	1.3%
FirstMerit Corporation	3,018	5	1.2%
Goodyear Tire & Rubber Company	3,000	6	1.2%
The University of Akron	2,533	7	1.0%
Signet Jewelers	2,250	8	0.9%
Akron Children's Hospital	1,785	9	0.7%
City of Akron	1,740	10	0.7%
Total Labor Force - Summit County	251,561		

Sources: Largest Employers: Akron Chamber of Commerce (2007, 2009, 2014, 2015, 2016, and 2017), Akron Beacon Journal newspaper articles (2010-2013)

Total County Employment; Bureau of Labor Statistics; Ohio Job & Family Services, Office of Workforce Development-Labor Market Information

Summit County Audited ACFR

Note: 2020 is the latest available information

METRO Regional Transit Authority

Operating Statistics - Last Ten Years

(Unaudited)

TABLE 14

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
System Ridership (1)										
Motor Bus	5,230,118	5,189,095	5,203,843	5,052,855	4,908,399	4,885,178	4,907,761	4,683,698	3,128,383	2,882,108
Demand Response	270,280	239,141	254,440	268,843	267,964	265,833	270,815	276,329	171,341	174,873
Average Weekday System Ridership (1)										
Motor Bus	17,927	17,734	17,748	17,207	16,821	16,849	16,869	16,012	10,596	9,579
Demand Response	903	922	966	1,023	746	1,017	1,035	1,057	650	657
Total Vehicle Miles (1)										
Motor Bus	4,242,323	4,377,925	4,494,800	4,586,078	4,804,980	4,725,698	4,695,705	4,819,560	3,799,662	3,897,030
Demand Response	2,027,448	1,967,492	2,154,379	1,963,497	1,948,575	2,167,055	2,348,770	2,408,983	1,681,048	1,673,004
Total Revenue Miles (1)										
Motor Bus	3,540,815	3,717,673	3,897,860	4,172,713	4,051,831	4,082,524	4,078,092	4,092,623	3,363,548	3,425,508
Demand Response	1,820,017	1,753,501	1,829,170	1,593,690	1,630,912	1,751,353	1,938,752	1,988,763	1,341,639	1,401,597
Passenger Miles (1)										
Motor Bus	17,201,858	22,412,579	20,551,047	22,575,883	19,432,291	16,768,798	21,355,560	27,323,801	13,977,760	12,356,484
Demand Response	1,540,795	1,515,778	1,643,644	1,846,489	1,868,499	1,715,310	1,723,653	1,726,718	983,730	1,009,114

METRO Regional Transit Authority

Operating Statistics - Last Ten Years (Continued)

(Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Full Time Employees (1)	366	383	377	387	409	403	410	417	416	401
Total Vehicle Hours (1)										
Motor Bus	306,886	332,953	342,569	345,330	343,914	338,534	337,470	342,819	284,741	295,305
Demand Response	133,192	121,980	143,162	149,542	150,030	152,913	156,544	164,074	174,552	129,312
Total Vehicle Revenue Hours (1)										
Motor Bus	276,962	302,392	295,883	313,341	315,316	316,992	315,326	319,785	263,027	267,642
Demand Response	122,493	110,444	115,039	120,319	120,964	124,098	128,136	133,468	100,529	102,235
Total Vehicle Accidents average per month (2)										
Motor Bus	8.6	7.1	7.5	8.3	6.8	6.9	8.1	7.3	6.1	6.3
Demand Response	3.4	3.5	2.3	2.5	3.1	3.0	2.5	2.4	1.3	1.5
Miles between Roadcalls (2)	5,453	5,494	5,423	6,051	5,446	6,287	6,890	7,674	7,701	7,088
Total Revenue Vehicles (1)										
Motor Bus	138	137	137	147	139	141	141	139	142	139
Demand Response	156	115	118	121	89	91	91	91	112	118

(1) METRO's annual "National Transit Database" as reported to Federal Transit Administration

(2) METRO's Monthly Performance report

Note: Demand Response includes directly operated and purchased transportation

2016 data include motor bus and commuter bus

METRO Regional Transit Authority

Fare Rate Structure as of December 31, 2021

TABLE 15

Cash fares

General - Line Service	\$ 1.25
Senior / Disability - Line Service	0.50
North Coast Express	5.00
Call-A-Bus	4.00
SCAT	2.00
SCAT ADA	2.50

Tickets/Passes

10 Ride Pass - North Coast Express	\$ 40.00
Ten Ride - SCAT Ticket	20.00
Day Pass - Line Service	2.50
31 Day Pass - Line Service	
General	\$50.00
Senior / Disability	30.00

Source: METRO's Fare resolution passed by the Board of Trustees on July 31, 2013

METRO Regional Transit Authority

Miscellaneous Statistics

(Unaudited)

TABLE 16

Date METRO was created	August 26, 1969
Form of Government	Regional Transit Authority Board of Trustees
Number of Trustees	12
Type of tax support	1/2 of 1 percent sales and use tax for Summit County
Size of service area (Square miles)	419.92
Population of County (2020 census)	540,428
Miles of routes	653.1
Number of buses (Directly Operated)	
Motor Bus	139
Demand Response	118
Number of routes	37
Customer Service information calls answered (2021)	260,981
Info Calls (2021)	66,778
SCAT Reservation Calls (2021)	128,855
SCAT Return Calls Answered (2021)	65,348

OHIO AUDITOR OF STATE KEITH FABER



METRO REGIONAL TRANSIT AUTHORITY

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/10/2022

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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