



A Discretely Presented
Component Unit of
the State of New York



Financial Statements



For the Years Ended March 31, 2020 and 2019

**ROCHESTER-GENESEE REGIONAL
TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)**

**Financial Statements as of
March 31, 2020 and 2019
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

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INDEPENDENT AUDITOR'S REPORT

June 25, 2020

To the Commissioners of
Rochester-Genesee Regional Transportation Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of the Rochester-Genesee Regional Transportation Authority (the "Authority," a New York State public benefit corporation, which is a discretely presented component unit of the State of New York) as of and for the years ended March 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of March 31, 2020 and 2019, and the respective changes in its financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in total OPEB liability and related ratios, proportionate share of net pension liability, and contribution – pension plans be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Report on Other Information

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 combining blended component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining blended component unit financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining blended component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY **(A Discretely Presented Component Unit of the State of New York)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) **AS OF AND FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

This Management's Discussion and Analysis (MD&A) of the Rochester-Genesee Regional Transportation Authority (the Authority) financial statements provides an overview of the Authority's financial activity for the years ended March 31, 2020 and 2019. Please read this MD&A in conjunction with the Authority's basic financial statements and footnotes, which follow this section.

The Authority's basic financial statements consist of a statement of net position; a statement of revenue, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements. The statements of net position provide a snapshot of the Authority's financial condition at March 31, 2020 and 2019. The statements of revenues, expenses, and changes in net position report the results of the Authority's operations and activities for years ended March 31, 2020 and 2019. Finally, the statements of cash flows report the Authority's sources and uses of cash from operations, non-capital financing, capital and related financing, and investing activities for the years ended March 31, 2020 and 2019.

FINANCIAL HIGHLIGHTS

- As more fully described below, the Authority experienced a decrease in net position of approximately \$16.4 million in fiscal 2020, compared with a decrease of \$9.9 million in fiscal 2019. The decrease in net position for both fiscal years was primarily impacted by fluctuations in our actuarially determined liabilities for other postemployment benefits (OPEB) and pension costs.
- The Authority's single most significant asset classification is capital assets. The Authority reported capital assets, net of depreciation, totaling approximately \$140.3 million, \$141.9 million and \$147.0 million for fiscal 2020, fiscal 2019 and fiscal 2018, respectively. The fluctuations in capital assets during these periods is the result of ongoing depreciation offset by additions attributable to infrastructure improvement projects at several of our operations.
- The Authority experienced decreases in its unrestricted net position during both fiscal 2020 and fiscal 2019. The Authority's unrestricted net position was \$(92.0) million and \$(77.2) million for fiscal years 2020 and 2019, respectively. These decreases are mainly the result of the factors noted above and discussed in more detail later in this MD&A.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE

Condensed Schedule of Net Position (in millions)

The condensed schedule of net position below provides a snapshot of the financial condition of the Authority as of March 31;

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets:			
Current and other	\$ 72.2	\$ 69.2	\$ 69.5
Capital, net of accumulated depreciation	<u>140.3</u>	<u>141.9</u>	<u>147.0</u>
Total assets	<u>212.5</u>	<u>211.1</u>	<u>216.5</u>
Deferred outflows	<u>35.3</u>	<u>5.9</u>	<u>7.6</u>
Liabilities:			
Current	25.4	22.5	23.9
Long-term	<u>165.1</u>	<u>123.0</u>	<u>115.9</u>
Total liabilities	190.5	145.5	139.8
Deferred inflows	<u>9.2</u>	<u>6.6</u>	<u>9.6</u>
Net Position:			
Net investment in capital assets	140.3	141.9	147.0
Unrestricted	<u>(92.0)</u>	<u>(77.2)</u>	<u>(72.3)</u>
Total net position	<u>\$ 48.3</u>	<u>\$ 64.7</u>	<u>\$ 74.7</u>

Total assets at March 31, 2020 were \$212.5 million, an increase of \$1.4 million from \$211.1 million at March 31, 2019. Total assets at March 31, 2019 represented a decrease of \$5.4 million from \$216.5 million in total assets at March 31, 2018. These fluctuations are mainly as a result of movements in accounts receivable due to timing and fluctuations in capital assets as a result of ongoing depreciation offset by fixed asset additions attributable to infrastructure improvements and planned replacement of revenue vehicles.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)
Condensed Schedule of Net Position (Continued)

Broken down by category:

- Current and other assets totaled \$72.2 million in fiscal 2020, increasing by \$3.0 million from \$69.2 million in fiscal 2019, and decreasing by \$0.3 million from \$69.5 million in fiscal 2018. Both fluctuations were driven mainly by movements in receivables as a result of timing.
- Capital assets, net of accumulated depreciation, finished fiscal 2020 at \$140.3 million, a decrease of \$1.6 million from \$141.9 million for fiscal 2019, a decrease of \$5.1 million from \$147.0 million for fiscal 2018.

Total liabilities, both current and long-term, were \$190.5 million, \$145.5 million and \$139.8 million as of March 31, 2020, 2019 and 2018, respectively. When broken down between current and long-term:

- Current liabilities totaled \$25.4 million for fiscal 2020, up \$2.9 million from fiscal 2019 as a result of increases to accounts payable driven by both timing and an increase in payables attributable to capital projects. Current liabilities totaled \$22.5 million for fiscal 2019, down \$1.4 million from fiscal 2018 as a result of decreases in accounts payable as a result of timing and unlitigated claims as a result of the mix of legal cases outstanding at the end of fiscal 2019, offset by an increase to the actuarially determined reserve for workers' compensation claims.
- Long-term liabilities increased by \$41.9 and \$7.1 million for fiscal 2020 and 2019, respectively, compared with the same prior year periods. The increases for both periods were mainly driven by increases in the Authority's actuarially determined liabilities for other postemployment benefits and its pension plans, in both cases due mainly to the impact of assumption changes.

The overall net position of the Authority decreased by \$16.4 million and \$9.9 million for fiscal years 2020 and 2019, respectively, when compared with the same prior year periods. These decreases were mainly impacted by the factors noted above.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)
Condensed schedule of revenue, expenses, and change in net position (in millions)

The condensed schedule of revenue, expenses and change in net position below provides a snapshot of the financial activities of the Authority as of March 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue:			
Customer fares	\$ 8.9	\$ 9.7	\$ 10.5
Special fares	16.3	15.9	15.5
Other	2.0	1.8	1.5
Total operating revenue	<u>27.2</u>	<u>27.4</u>	<u>27.5</u>
Operating expenses:			
Salaries and benefits	89.2	78.2	77.1
Non-personnel	23.7	22.6	22.5
Total operating expenses	<u>112.9</u>	<u>100.8</u>	<u>99.6</u>
Depreciation	<u>17.1</u>	<u>18.3</u>	<u>17.6</u>
Loss from operations	<u>(102.8)</u>	<u>(91.7)</u>	<u>(89.7)</u>
Nonoperating income (expenses):			
External operating assistance	60.7	58.4	57.7
Investment income	1.4	0.8	0.2
Mortgage recording tax	11.4	10.7	9.5
Other	0.0	0.0	0.3
Total nonoperating income	<u>73.5</u>	<u>69.8</u>	<u>67.7</u>
Capital contributions	<u>12.9</u>	<u>12.0</u>	<u>13.9</u>
Change in net position	<u>(16.4)</u>	<u>(9.9)</u>	<u>(8.1)</u>
Net position, beginning of year	64.7	74.6	134.4
Restatement of beginning net position – GASB 75 adoption	<u>-</u>	<u>-</u>	<u>(51.7)</u>
Net position, end of year	<u>\$ 48.3</u>	<u>\$ 64.7</u>	<u>\$ 74.6</u>

The Authority's operating revenue totaled \$27.2 million and \$27.4 million for fiscal 2020 and 2019, respectively, decreasing by \$0.2 million and \$0.1 million from the same prior year periods. The Authority has two direct sources of operating revenue:

- Customer fare revenue decreased by \$0.8 million in both fiscal 2020 and fiscal 2019 when compared with the same prior year periods. The decreases in fiscal 2020 and fiscal 2019 were mainly impacted by declines in ridership of 3.2% and 2.5%, respectively, consistent with recent ridership trends across the public transportation industry in both fiscal years with respect to fiscal 2020, the impact of the COVID-19 pandemic. Customer fare revenue consists of cash fares paid on the bus and fare media sales to individual customers and various local agencies that distribute bus passes to their clients.
- Special fare revenue increased by \$0.4 million in both fiscal 2020 and fiscal 2019, impacted in both cases by the mix of service offered to meet the needs of the Authority's most significant customer.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)
Condensed schedule of revenue, expenses, and change in net position (Continued)

- Other revenue in fiscal 2020 of \$2.0 million was up slightly when compared with \$1.8 million for fiscal 2019. Other revenue consists of reimbursements and recoveries in the areas of warranty and liability claims, among others, and fluctuates based on the variable nature of these items from year-to-year.

The Authority also has non-operating income (expense), the major components of which are operating assistance subsidies, investment earnings, mortgage recording tax and other items such as gains and losses from various financial transactions.

The Authority receives external operating assistance subsidies from the Federal Government, the State of New York and each of our county service areas.

Federal operating assistance is broken into three major categories for the Authority, which are commonly known as Section 5307, Section 5311, and grants for the Genesee Transportation Council. The Section 5307 aid is awarded to public transportation providers across the country based upon congressional appropriations and is allocated using a complex formula combining elements of population, revenue miles, customers, and other factors. Historically, the Authority allocates approximately one-third of the annual Section 5307 funding to offset preventive maintenance costs within the operating budget. The federal operating assistance of \$10.8 million received during fiscal 2020 was down when compared with \$12.1 million received during fiscal 2019, which was essentially flat with fiscal 2018, both based on a preventive maintenance allocation.

The largest single source of external operating assistance is provided by the State of New York in the form of Statewide Mass Transit Operating Assistance (STOA). STOA, which comprises the majority of the Authority's State aid, is provided to the Authority based on a variety of funding formulas and through New York State taxes, primarily the Petroleum Business Tax. The Authority received \$45.1 million in STOA during fiscal 2020, a \$3.9 increase from the \$41.2 million received during fiscal 2019; comparatively, fiscal 2019 saw a \$0.5 million increase in STOA from the \$40.7 million received during fiscal 2018.

Each county in the Authority's service area provides external operating assistance based on New York State Transportation Law Section 18B, which requires that each member county of the Authority annually provide a fixed annual operating subsidy for public transportation services provided within their respective jurisdictions. The combined total of these annual subsidies was \$3.9 million for each of fiscal 2020, 2019 and 2018.

With regard to the other components of non-operating income (expense) when compared with the same prior year periods:

- For fiscal 2020, the Authority experienced an increase of \$0.7 million in mortgage recording tax revenue, mainly as a result of an increase in this revenue source across all counties in the Authority's service area, and
- For fiscal 2019, the Authority experienced an increase of \$1.1 million in mortgage recording tax revenue, mainly as a result of an increase in this revenue source for the largest county in the Authority's service area,

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)
Condensed schedule of revenue, expenses, and change in net position (Continued)

The last component of Authority revenue is provided for capital purchases and labeled capital contribution. The capital contribution is received from the Federal Government, New York State and the Authority. The standard share allocation is 80% Federal, 10% New York State, and 10% from the Authority, though this allocation may vary from time to time. The capital contribution for fiscal 2020 increased by \$2.3 million, compared with a \$0.7 million decrease in fiscal 2019, mainly as a result of increases in revenue vehicle purchases to support the Authority's planned on demand service offering.

The following chart shows the use of the capital contributions for the fiscal years ended March 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital contribution for:			
Building and structures	\$ 3.0	\$ 2.6	\$ 4.4
Vehicles	9.3	7.1	5.7
Other equipment	0.9	1.3	0.4
Computer equipment	<u>2.3</u>	<u>2.2</u>	<u>3.4</u>
Total capital contribution	<u>\$ 15.5</u>	<u>\$ 13.2</u>	<u>\$ 13.9</u>

Operating expenses

The Authority's operating expenses (excluding depreciation) for fiscal 2020 were \$112.9 million, up \$12.1 million when compared with \$100.8 million for fiscal 2019, up \$1.3 million when compared with \$99.5 million for fiscal 2018. As described in more detail below, operating expenses were impacted by fluctuations in a number of areas during fiscal 2020 when compared with the same prior year periods.

The following chart breaks down the Authority's salaries and benefits expense for the fiscal year ended March 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries and benefits:			
Wages	\$ 51.4	\$ 49.2	\$ 47.6
Benefits:			
FICA and Medicare	3.8	3.7	3.6
Health, dental and vision	23.6	17.6	18.2
Pension	7.4	3.3	3.3
Workers' compensation	2.2	3.3	3.7
Other	<u>0.8</u>	<u>1.1</u>	<u>0.7</u>
Total benefits	<u>37.8</u>	<u>29.0</u>	<u>29.5</u>
Total salaries and benefits	<u>\$ 89.2</u>	<u>\$ 78.2</u>	<u>\$ 77.1</u>

The Authority's wages for fiscal 2020 increased by \$2.2 million to \$51.4 million, compared with a \$1.6 million increase to \$49.2 million for fiscal 2019, both mainly as a result of a cost of living adjustment for employees and the mix of labor required to provide service.

The Authority's employee benefits costs increased in fiscal 2020 by \$8.8 million from \$29.0 million in fiscal 2019, mainly as a result of increases driven by assumption changes in the actuarially determined net pension and other postemployment benefit expenses. Employee benefits costs decreased in fiscal 2019 by \$0.5 million from \$29.5 million in fiscal 2018, mainly as a result of a decrease in the actuarially determined net pension expense.

FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)
Condensed schedule of revenue, expenses, and change in net position (Continued)

The following chart breaks down the Authority's non-personnel expenses for the fiscal years ended March 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Non-personnel:			
Materials and supplies	\$ 10.1	\$ 10.6	\$ 9.9
Services	8.6	7.6	7.9
Utilities	0.9	1.0	0.9
Litigated and unlitigated claims	1.7	1.6	2.1
Miscellaneous	2.3	1.8	1.7
Total non-personnel	\$ 23.6	\$ 22.6	\$ 22.5

The Authority's non-personnel expenses include a variety of categories, such as materials and supplies which includes fuel and lubricants, bus parts and shop supplies; contracted services; utilities; casualty and liability insurance cost; and miscellaneous items. The Authority's non-personnel expense for fiscal 2020 increased by \$1.0 million from fiscal 2019, impacted by several factors, including:

- An increase of \$1.0 million in services, mainly as a result of an increase in contracted services,
- An increase of \$0.5 million in miscellaneous expenses, mainly as a result of an increase to the allowance for doubtful accounts in connection with the COVID-19 pandemic, and
- A decrease of \$0.5 million in materials and supplies, mainly as a result of decreased parts costs.

The Authority's non-personnel expense for fiscal 2019 increased by \$0.1 million from fiscal 2018, impacted by several factors, including:

- An increase of \$0.7 million in materials and supplies, mainly as a result of increased fuel costs,
- A decrease of \$0.5 million in litigated and unlitigated claims, mainly as a result of the current year mix of claims, and
- A decrease of \$0.3 million in services, mainly as a result of a decrease in contracted services.

CAPITAL ASSETS

The Authority's capital assets, net of depreciation, are presented in the chart below for the fiscal years ended March 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Capital assets, net:			
Land and improvements	\$ 9.3	\$ 9.6	\$ 9.9
Construction in process	10.1	3.2	6.5
Building and structures	63.7	65.5	63.8
Revenue vehicles	44.2	49.9	52.9
Non-revenue vehicles	0.5	0.6	0.3
Maintenance	3.4	3.5	3.6
Other equipment	5.3	5.3	5.0
Leasehold improvements	1.0	1.0	1.1
Computer equipment	2.8	3.3	3.9
Total capital assets, net	\$ 140.3	\$ 141.9	\$ 147.0

More detail regarding the Authority's capital asset activity can be found in Note 4, Capital Assets, to these financial statements.

FACTORS IMPACTING THE AUTHORITY'S FUTURE

As a component of its comprehensive plan, the Authority develops a multi-year budget projection to alert the Authority's Board of Commissioners, customers, and the community at large of the future challenges and opportunities that may impact the Authority's ability to meet its mission and vision. The current version of the multi-year budget projection contemplates the traditionally inherent structural imbalance that public transportation faces with the fiscal challenges of both our federal and state governments along with expense growth required to maintain service levels equal to today. The Authority's Comprehensive Plan includes future budgetary projections as well as the overall strategic plan and can be reviewed by contacting the Authority's Financial Management as noted below.

On March 1, 2020, the first case of novel coronavirus (COVID-19) was reported in the State of New York. On March 11, 2020, Monroe County, the largest county in the Authority's service area, reported its first COVID-19 case and on that same date, the World Health Organization declared the outbreak of COVID-19 a pandemic. The Authority, following guidance of Local, State and Federal officials, began the process of ensuring safety for all our customers and employees shortly after this declaration. Accordingly, the Authority instituted free fares and rear door entry throughout our service area, implemented enhanced vehicle and facility cleaning procedures and directed all non-essential employees to work from home. The impact of these measures and the community response to COVID-19 was both financial and operational due to reduced ridership and fare revenue. On March 20, 2020, New York State Governor Cuomo issued a statewide shut down of non-essential businesses resulting in continued declines in ridership and impacts to finances at the State level.

The Authority's reliance on State funding is noted throughout these financial statements, as well as in our operating budget and future budgetary projections. While the uncertainties caused by the pandemic are considered temporary, the longer-term financial impact on our essential service, public transportation, is not reasonably predictable at this time. However, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress and signed by the President on March 27, 2020, made available to the Authority approximately \$45 million in Federal funding to the Authority to support ongoing service and provide near-term financial stability.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This MD&A and condensed financial information is designed to provide our customers, taxpayers, citizens of our service area, investors and creditors with a general overview of the Authority's finances and demonstrate the Authority's accountability for the funds it receives. If you have any questions about this report, please contact Scott M. Adair, Chief Financial Officer, Rochester-Genesee Regional Transportation Authority, 1372 East Main Street, Rochester, New York 14609 or sadair@myrts.com.

Basic Financial Statements

For the years ended March 31, 2020 and 2019

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ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

STATEMENTS OF NET POSITION
MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and equivalents	\$ 12,887,246	\$ 18,656,419
Current portion of investments	16,416,692	15,058,457
Receivables:		
Trade, net	7,791,445	8,314,807
Mortgage tax	1,392,801	736,549
Capital grants	9,136,027	4,969,533
Operating assistance	8,549,561	5,780,740
Interest	112,281	120,604
Materials and supplies inventory, net	516,858	480,347
Prepaid expenses and other current assets	<u>871,832</u>	<u>754,400</u>
Total current assets	<u>57,674,743</u>	<u>54,871,856</u>
NONCURRENT ASSETS:		
Capital assets, net	140,339,668	141,913,705
Investments, net of current portion	14,552,314	13,871,229
Net pension asset	<u>-</u>	<u>369,944</u>
Total noncurrent assets	<u>154,891,982</u>	<u>156,154,878</u>
TOTAL ASSETS	<u>212,566,725</u>	<u>211,026,734</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to other postemployment benefits	26,336,891	-
Deferred outflows related to pensions	<u>9,000,574</u>	<u>5,933,187</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>35,337,465</u>	<u>5,933,187</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 247,904,190</u>	<u>\$ 216,959,921</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,004,665	\$ 6,378,684
Accrued wages, vacation, pension and payroll taxes	5,991,690	5,468,270
Current portion of soil remediation liability	284,759	285,279
Reserve for litigated and unlitigated claims	2,743,048	2,986,770
Workers' compensation reserve	<u>7,370,000</u>	<u>7,370,000</u>
Total current liabilities	<u>25,394,162</u>	<u>22,489,003</u>
LONG-TERM LIABILITIES:		
Net pension liability	16,371,364	7,583,215
Total other postemployment benefits	148,049,462	114,878,155
Soil remediation liability, net of current portion	<u>641,445</u>	<u>643,521</u>
Total long-term liabilities	<u>165,062,271</u>	<u>123,104,891</u>
TOTAL LIABILITIES	<u>190,456,433</u>	<u>145,593,894</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	32,157	117,546
Deferred inflows related to other postemployment benefits	4,610,226	467,470
Deferred inflows related to pensions	<u>4,558,337</u>	<u>6,064,626</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,200,720</u>	<u>6,649,642</u>
NET POSITION:		
Net investment in capital assets	140,339,668	141,913,705
Unrestricted	<u>(92,092,631)</u>	<u>(77,197,320)</u>
Total net position	<u>48,247,037</u>	<u>64,716,385</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 247,904,190</u>	<u>\$ 216,959,921</u>

The accompanying notes to the financial statements are an integral part of these statements.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:		
Customer fares	\$ 8,903,757	\$ 9,710,612
Special transit fares	16,288,982	15,939,879
Reimbursement and recovery	815,597	853,894
Other	<u>1,154,820</u>	<u>884,773</u>
Total operating revenue	<u>27,163,156</u>	<u>27,389,158</u>
OPERATING EXPENSES AND DEPRECIATION:		
Operating expenses -		
Salaries and wages	51,355,190	49,193,289
Employee benefits	37,894,119	28,999,069
Materials and supplies	10,099,486	10,557,716
Services	8,697,004	7,665,518
Utilities	938,184	1,027,786
Litigated and unlitigated claims	1,689,886	1,646,455
Other	<u>2,254,100</u>	<u>1,789,843</u>
Total operating expenses	<u>112,927,969</u>	<u>100,879,676</u>
Depreciation -		
Locally funded	1,788,405	1,912,368
Grant funded	<u>15,315,479</u>	<u>16,358,399</u>
Total depreciation	<u>17,103,884</u>	<u>18,270,767</u>
Total operating expenses and depreciation	<u>130,031,853</u>	<u>119,150,443</u>
LOSS FROM OPERATIONS	<u>(102,868,697)</u>	<u>(91,761,285)</u>
NONOPERATING INCOME (EXPENSE):		
External operating assistance subsidies -		
Federal	10,756,994	12,068,864
State	46,079,616	42,385,363
Local governments	3,909,499	3,909,499
Investment income, net	1,349,942	759,376
Mortgage recording tax	11,391,114	10,661,957
Subrecipient grant revenue	235,583	184,118
Subrecipient grant expense	(235,583)	(184,118)
Change in soil remediation liability	733	(900)
Gain on disposal of capital assets, net	<u>13,033</u>	<u>20,667</u>
Total nonoperating income	<u>73,500,931</u>	<u>69,804,826</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>(29,367,766)</u>	<u>(21,956,459)</u>
CAPITAL CONTRIBUTIONS:		
Federal	5,066,996	4,813,268
State	<u>7,831,422</u>	<u>7,233,224</u>
Total capital contributions	<u>12,898,418</u>	<u>12,046,492</u>
CHANGE IN NET POSITION	<u>(16,469,348)</u>	<u>(9,909,967)</u>
NET POSITION - beginning of year	<u>64,716,385</u>	<u>74,626,352</u>
NET POSITION - end of year	<u>\$ 48,247,037</u>	<u>\$ 64,716,385</u>

The accompanying notes are an integral part of these statements.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 25,630,712	\$ 26,869,729
Other operating receipts	1,970,417	1,738,667
Payments to vendors and suppliers for goods and services	(19,690,278)	(18,733,002)
Payments to employees for services	(73,164,300)	(71,674,524)
Payments for insurance and risk management	(1,933,608)	(970,661)
Other operating payments	<u>(2,254,100)</u>	<u>(1,789,843)</u>
Net cash flow used in operating activities	<u>(69,441,157)</u>	<u>(64,559,634)</u>
CASH FLOW FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Mortgage tax receipts	10,734,862	10,575,372
Operating assistance receipts	<u>57,977,288</u>	<u>59,463,234</u>
Net cash flow provided by noncapital and related financing activities	<u>68,712,150</u>	<u>70,038,606</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions	8,731,924	13,691,582
Purchases of capital assets	(13,105,940)	(15,684,240)
Payments for soil remediation	(1,863)	(900)
Proceeds from sales of capital assets	<u>13,033</u>	<u>20,667</u>
Net cash flow used in capital and related financing activities	<u>(4,362,846)</u>	<u>(1,972,891)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest earnings	232,424	202,045
Liquidation of short-term investments	<u>(909,744)</u>	<u>(1,403,719)</u>
Net cash flow used in investing activities	<u>(677,320)</u>	<u>(1,201,674)</u>
CHANGE IN CASH AND EQUIVALENTS	(5,769,173)	2,304,407
CASH AND EQUIVALENTS - beginning of year	<u>18,656,419</u>	<u>16,352,012</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 12,887,246</u>	<u>\$ 18,656,419</u>

(Continued)

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019
(Continued)

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Loss from operations	\$ (102,868,697)	\$ (91,761,285)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation - locally funded	1,788,405	1,912,368
Depreciation - grant funded	15,315,479	16,358,399
Changes in:		
Trade receivable	523,362	1,586,863
Materials and supplies inventory	(36,511)	(34,893)
Prepaid expenses and other current assets	(117,432)	(112,653)
Accounts payable	198,339	665,564
Accrued wages, vacation, pension and payroll taxes	523,420	(264,698)
Reserve for litigated and unlitigated claims	(243,722)	(544,206)
Workers' compensation reserve	-	1,220,000
Net pension liability	4,584,417	339,639
Other postemployment benefits	10,977,172	6,442,893
Deferred revenue	<u>(85,389)</u>	<u>(367,625)</u>
Net cash flow from operating activities	<u>\$ (69,441,157)</u>	<u>\$ (64,559,634)</u>
NON-CASH INVESTING ACTIVITIES:		
Change in fair value of investments	\$ 1,127,540	\$ 512,578

The accompanying notes are an integral part of these statements.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY (A Discretely Presented Component Unit of the State of New York)

NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2020 AND 2019

1. BASIS OF PRESENTATION

The Organization

The Rochester-Genesee Regional Transportation Authority (the Authority or RGRTA) was created in 1969 by an act of the New York State Legislature to provide for the continuance, further development and improvement of public transportation and other related services within the Genesee-Finger Lakes Region. The Authority is subject to regulation by the Comptroller and Department of Transportation of the State of New York with respect to the maintenance of its accounting records. The Authority is considered a discretely presented component unit of New York State because of the significance of its operational and financial relationship with New York State. The Authority's 15-member Board of Commissioners is recommended by the respective local governing body, appointed by the governor of New York State, and confirmed by the New York State Senate. Financial support from New York State includes annual appropriations to help meet operating expenditures.

Financial Statements

The financial statements of the Authority include the accounts of RGRTA, and its ten (10) blended component units for which the Authority is financially accountable and operationally responsible. The Authority's 15-member Board of Commissioners is comprised of individuals from each member county and a representative from the Amalgamated Transit Union, Local 282, AFL-CIO (the ATU). The Board of Commissioners oversees public transportation for its member counties: Monroe, Genesee, Livingston, Ontario, Orleans, Seneca, Wayne and Wyoming Counties. The Authority's Board also serves as the board for Genesee Transportation Council Staff, Inc. (GTCS), an entity which serves as the administrative host agency for the Genesee Transportation Council, which is the metropolitan transportation planning organization for the Genesee-Finger Lakes Region; GTCS is reported herein as a blended component unit. The ten component units are legally separate organizations and are collectively referred to as "the Organizations."

Based on the foregoing criteria, RGRTA and the following blended component units have been audited and are included in the financial statements:

- Regional Transit Service, Inc., d/b/a RTS (RTS)
- Lift Line, Inc., d/b/a RTS Access (Access)
- Batavia Bus Service, Inc., d/b/a RTS Genesee (Genesee)
- Livingston Area Transportation Service, Inc., d/b/a RTS Livingston (Livingston)
- County Area Transit System, Inc., d/b/a RTS Ontario (Ontario)
- Orleans Transit Service, Inc., d/b/a RTS Orleans (Orleans)
- Seneca Transit Service, Inc., d/b/a RTS Seneca (Seneca)
- Wayne Area Transportation Service, Inc., d/b/a RTS Wayne (Wayne)
- Wyoming Transit Service, Inc., d/b/a RTS Wyoming (Wyoming)
- Genesee Transportation Council Staff, Inc.

Significant inter-entity accounts and transactions have been eliminated in the accompanying financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority's and the Organizations' financial statements have been prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB).

Recently Adopted and Issued Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended March 31, 2020, and the Authority determined that there was no significant impact on the financial statements upon adoption for the fiscal year then ended:

- GASB statement No. 83, *Certain Asset Retirement Obligations*.
- GASB statement No. 84, *Fiduciary Activities*.
- GASB statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.
- GASB statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*.

The following GASB Statements became effective for the fiscal year ended March 31, 2019, and the Authority determined that there was no significant impact on the financial statements upon adoption for the fiscal year then ended:

- GASB statement No. 85, *Omnibus 2017*
- GASB statement No. 86, *Certain Debt Extinguishment Issues*

The following GASB Statements were issued recently, but not effective for the fiscal year ended March 31, 2020. We will be evaluating the potential impact of adopting these Statements in future years:

- GASB statement No. 87, *Leases*, effective for reporting periods beginning after December 15, 2020 (which effective date was modified by GASB statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*).
- GASB statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2020.
- GASB statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021.
- GASB statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021.
- GASB statement No. 93, *Replacement of Interbank Offered Rates*, effective for reporting periods beginning after June 15, 2021.
- GASB statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022.

The effective dates noted above reflect the revised guidance prescribed in GASB statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued in May 2020 and effective upon issuance.

Classification of Net Position

GASB requires the classification of net position into three components - net investment in capital assets; restricted and unrestricted. The Authority does not have restricted net position as of March 31, 2020 or 2019. The classifications the Authority has are defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Unrestricted - This component of net position consists of net position that do not meet the definition of "net investment in capital assets" or "restricted."

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the current year presentation.

Cash and Equivalents

Cash and equivalents includes cash on hand, money market accounts, U.S. Treasury notes and certificates of deposit with an initial term of three months or less not reserved for a board designated purpose.

Trade Receivables

Trade receivables consist primarily of amounts due from customers for services provided and for advertising. Management records an allowance for doubtful accounts based on past collection experience and an analysis of outstanding amounts. When appropriate collection efforts are exhausted, the account is written off. Management has established an allowance for doubtful accounts for the years ended March 31, 2020 and 2019 in the amount of \$1,497,585 and \$757,945, respectively.

Mortgage Recording Tax

The Authority receives a portion of mortgage recording tax equal to \$0.25 for every \$100 of borrowings in the form of new mortgages and the refinancing of existing mortgages from the counties in which the component units conduct operations, not including mortgages of tax-exempt organizations. The amounts earned during the year have been recorded as mortgage recording tax in the accompanying statements of revenue, expenses and changes in net position. Any amounts due but not yet collected have been recorded as mortgage tax receivable in the accompanying statements of net position. As management considers the mortgage tax receivable to be fully collectible, no allowance for doubtful accounts has been established.

Operating Assistance and Capital Grants

The Authority and the Organizations receive operating and capital assistance subsidies and grants from the U.S. Department of Transportation under operating and capital assistance grant contracts. The Organizations also receive operating and capital assistance from the New York State Department of Transportation and local counties based on legislated awards. The amounts received or contractually receivable under such grants have been recorded as external operating assistance subsidies in the accompanying statements of revenue, expenses and changes in net position. These amounts are obtained on an annual basis. Management considers operating and capital assistance receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Continued operations depend upon receipt of such subsidies in future years.

Materials and Supplies Inventory

Materials and supplies inventory consists primarily of replacement parts for buses and is recorded at the lower of cost determined on a first in, first out basis or market. An allowance for obsolete inventory is maintained based on a review of inventory on hand. Management has recorded an allowance for obsolete inventory of \$113,069 for each of the years ended March 31, 2020 and 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are recorded at cost if purchased, or fair value, if donated. The Authority and the Organizations capitalize all expenses for capital assets in excess of \$5,000 and which have useful lives greater than one year.

Depreciation is provided on a straight-line basis over the estimated useful lives as follows:

Land improvements	5 - 10 years
Buildings and structures	2 - 40 years
Revenue vehicles	4 - 12 years
Non-revenue vehicles	2 - 5 years
Maintenance equipment	4 - 10 years
Other equipment	2 - 10 years
Computer equipment	3 - 10 years

Leasehold improvements are amortized over the shorter of the remaining lease term or the asset's estimated useful life.

Investments

Investments in government securities are recorded at their fair value based on quoted market prices and valuations provided by external parties. Unrealized gains or losses on such investments result from differences between the cost and fair value of investments on a specified valuation date. Gains and losses in the fair value are reported in the statements of revenue, expenses and changes in net position. Investment income is recognized on the accrual basis; dividends are recorded on the ex-dividend date.

The Authority has classified certain investments as current assets on the accompanying statement of net position as it is reasonably expected that they could be utilized in the next fiscal year.

Authority Subsidies

Annually, RGRTA subsidizes the operations of the Organizations, except for GTCS, based on each respective Organizations' operating results. In order to determine the annual subsidy, certain operating and non-operating revenues and external operating subsidies are reduced by certain operating and non-operating expenses and locally funded depreciation. If the result is a deficit, that amount will be recorded as operating subsidy at the respective Organization. Operating surpluses are reflected as negative subsidies, or re-allocations back to the Authority.

No cash is ever transferred to or from the Organizations related to these subsidies. Therefore, each year the value of the receivable/payable recorded at year-end is recorded as a write-off of inter-entity accounts on the accompanying statements of revenue, expense and changes in net position.

Revenues

Amounts reported as operating revenue are from providing services in connection with the Authority's and the Organizations' ongoing transportation operations. The principal operating revenues of the Organizations include customer fares, special transit fares, advertising, and various other recoveries and reimbursements. All revenues not meeting this definition are reported as non-operating revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses

Amounts reported as operating expenses are from providing services in connection with the Authority's and Organizations' ongoing transportation operations. The principal operating expenses of the Authority and the Organizations include salaries, employee benefits, material and supplies, outside services, casualty and insurance claims, utilities and depreciation. All expenses not meeting this definition are reported as non-operating expenses.

Capital Contributions

The Federal Government and New York State provide funds for a significant portion of the cost of capital purchases made by the Organizations. When these capital assets are recorded, the governments' portion of the funding is reflected in the accompanying statements of revenue, expenses and changes in net position as federal and state capital contributions.

Income Taxes

The Authority and the Organizations are public benefit corporations and are exempt from federal and state income taxes, as well as state and local property and sales taxes.

3. CASH AND INVESTMENTS

Cash and Equivalents

The Authority's cash and equivalents are comprised of the following as of March 31:

	2020		2019	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Bank demand deposits	\$ 1,485,803	\$ 1,885,295	\$ 1,187,325	\$ 2,126,920
Money market funds	2,741,448	2,741,448	9,467,784	9,467,784
U.S. Treasury notes	<u>8,659,995</u>	<u>8,659,995</u>	<u>8,001,310</u>	<u>8,001,310</u>
	<u>\$ 12,887,246</u>	<u>\$ 13,286,738</u>	<u>\$ 18,656,419</u>	<u>\$ 19,596,014</u>

Collateral

As of March 31, 2020 and 2019, the reported amount of the Authority's collateral balance was \$7,850,041 and \$19,674,509, respectively, and the bank balances that required collateral coverage were \$7,707,655 and \$19,274,127, respectively, which included \$3,080,912 and \$7,677,395, respectively, of money market funds held for investment.

As of March 31, 2020 and 2019, collateral of \$586,367 and \$614,288, respectively, was covered by federal depository insurance and \$7,263,674 and \$19,060,221, respectively, was covered by collateral held by pledging bank or a third-party custodian in the Authority's name. The Authority's investments in government securities are secured by a guarantee from the United States Treasury Department, and its investments in certificates of deposit are fully covered by federal depository insurance, as the amounts invested at any one financial institution do not exceed the federal depository insurance limits.

Investments

The Authority's investments are made in compliance with New York Public Authorities Law Sections 2856, 2890, 2925, 122-gg(4) and 1299-II, and Office of the State Comptroller Investment Guidelines for Public Authorities and State Agencies at 2 NYCRR Part 201.

3. CASH AND INVESTMENTS (Continued)

Investments

In accordance with this law and its own Investment Policy, the following is a list of investments the Authority is permitted to invest in:

- Certificates of Deposit with commercial banks or trust companies doing business in New York State and which are also Members of the Federal Deposit Insurance Corporation.
- Time Deposit, Demand Deposit, and Deposits in "Money Market" accounts of commercial banks or trust companies authorized to do business in New York State and which are also members of the Federal Deposit Insurance Corporation.
- Obligations of New York State or the United States Government or obligations the principal and interest of which are guaranteed by the New York State or the United States Government and which have a liquid market with a readily determinable value equal at all times to the amount of the investment.
- Repurchase Agreements for no more than 90 days involving the purchase and sale of direct obligations of the United States of America. The purchase price shall be the present market value of the securities and not the face value. Securities purchased through a Repurchase Agreement shall be valued to market at least weekly.

The Authority categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Authority has the ability to access. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. For the fiscal years ended March 31, 2020 and 2019, to the extent it has had such investments in its portfolio, the Authority has classified its certificates of deposit and obligations of the United States Government as Level 1 and its money market funds as Level 2 for purposes of fair value determination.

As of March 31, 2020, the Authority's investments consisted of the following:

		<u>Investment Maturities (in Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>5-10 Years</u>
Money Market Funds	\$ 5,210,655	\$ 5,210,655	\$ -	\$ -
Certificates of Deposit	10,872,571	3,506,799	7,093,839	271,933
United States Treasury Notes	<u>14,885,780</u>	<u>7,431,868</u>	<u>5,201,657</u>	<u>2,252,255</u>
	<u>\$ 30,969,006</u>	<u>\$ 16,149,322</u>	<u>\$ 12,295,496</u>	<u>\$ 2,524,188</u>

3. CASH AND INVESTMENTS (Continued)

As of March 31, 2019, the Authority's investments consisted of the following:

		<u>Investment Maturities (in Years)</u>		
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>5-10 Years</u>
Money Market Funds	\$ 7,854,350	\$ 7,854,350	\$ -	\$ -
Certificates of Deposit	9,026,986	1,495,594	7,027,639	503,753
United States Treasury Notes	<u>12,048,350</u>	<u>3,142,224</u>	<u>6,838,666</u>	<u>2,067,460</u>
	<u>\$ 28,929,686</u>	<u>\$ 12,492,168</u>	<u>\$ 13,866,305</u>	<u>\$ 2,571,213</u>

Accrued interest on investments of \$112,281 and \$120,604 is included in interest receivable on the statement of net position as of March 31, 2020 and 2019, respectively.

Changes in Fair Value

The net increase (decrease) in the fair value of investments during 2020 and 2019 was \$1,127,540 and \$512,578, respectively. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized net gain (loss) on investments held at March 31, 2020 and 2019 was \$588,814 and \$78,056, respectively.

Custodial Credit Risk

Custodial credit risk for cash deposits, cash equivalents, money market funds or investments is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority manages custodial credit risk for cash deposits, cash equivalents and money market funds as described above under "Collateral" and for investments based on the criteria listed above under "Investments" and requires that all investments or collateral securities are registered in the Authority's name and held in the custody of the bank or bank's trust department.

Credit Risk

Credit risk for cash deposits, cash equivalents, money market funds or investments is the risk that in the event of a financial institution failure, the Authority's deposits may not be returned. The Authority's investment policy requires that deposits, money market funds and certificates of deposit which exceed the amount insured by the FDIC be collateralized by obligations of the United States, or obligations of Federal Agency's, the principal and interest of which are guaranteed by the United States or obligations of New York State. As of March 31, 2020 and 2019, the Authority's investments in United States Treasury Notes were all rated AAA by a nationally recognized rating organization and its investments in certificates of deposit did not exceed the amount insured by the FDIC at any one institution.

Interest Rate Risk

Interest rate risk is the risk that the fair value of the Authority's investments will decrease as a result of an increase in interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's Investment Policy states that it is to consider protection of principal, then cash flow requirements, and finally yield requirements. To the extent each is present in its investment portfolio, the Authority has the ability to liquidate its investments daily for money market funds, United States Treasury Notes and New York State Municipal Securities and with up to twenty days notice for its mortgage backed asset securities. In addition, the Authority looks to invest in securities that have a history of making prepayments of interest prior to maturity to ensure a consistent stream of cash flows.

3. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The Investment Policy places no limit on the amount the Authority may invest in any one issuer. As of March 31, 2020 and 2019, all of the Authority's cash equivalents were held with M&T Bank and its subsidiaries. As of March 31, 2020 and 2019, the Authority's investments were 16.8% and 27.1%, respectively, invested in money market funds, 35.1% and 31.2%, respectively, invested in certificates of deposit, and 48.1% and 41.7%, respectively, invested in United States Treasury Notes.

Designations

The Authority's cash equivalents (consisting of money market funds and U.S. Treasury notes with a maturity of one month), government securities and certificates of deposit amounts are designated by the Board of Commissioners for working capital, self-insurance, capital expenditures, other postemployment benefits and para transit.

The Authority's cash equivalents, government securities and certificates of deposit were designated as of March 31, 2020:

	Cash <u>Equivalents</u>	Government Securities and Certificates of <u>Deposit</u>	<u>Total</u>
Working capital	\$ 11,401,444	\$ 10,894,333	\$ 22,296,777
Self-insurance reserve fund	1,375,016	2,651,526	4,026,542
Para transit reserve fund	1,036,696	2,249,576	3,286,272
Other postemployment benefits reserve fund	<u>4,682,146</u>	<u>6,583,895</u>	<u>11,266,041</u>
Total	<u>\$ 18,495,302</u>	<u>\$ 22,379,830</u>	<u>\$ 40,875,132</u>

The Authority's cash equivalents, government securities and certificates of deposit were designated as of March 31, 2019:

	Cash <u>Equivalents</u>	Government Securities and Certificates of <u>Deposit</u>	<u>Total</u>
Working capital	\$ 17,469,095	\$ 10,354,775	\$ 27,823,870
Self-insurance reserve fund	1,353,742	2,514,911	3,868,653
Para transit reserve fund	1,019,608	2,133,757	3,153,365
Other postemployment benefits reserve fund	<u>4,620,362</u>	<u>6,248,848</u>	<u>10,869,210</u>
Total	<u>\$ 24,462,807</u>	<u>\$ 21,252,291</u>	<u>\$ 45,715,098</u>

4. CAPITAL ASSETS

Capital assets consisted of the following as of March 31, 2020 and 2019:

	April 1, 2019	Additions	Impairments and Retirements	Transfers	March 31, 2020
Capital assets not being depreciated:					
Land	\$ 5,156,106	\$ -	\$ -	\$ -	\$ 5,156,106
Construction-in-process	<u>3,221,269</u>	<u>15,533,582</u>	<u>(3,734)</u>	<u>(8,663,887)</u>	<u>10,087,230</u>
Total capital assets not being depreciated	<u>8,377,375</u>	<u>15,533,582</u>	<u>(3,734)</u>	<u>(8,663,887)</u>	<u>15,243,336</u>
Capital assets being depreciated:					
Land improvements	8,531,090	-	-	-	8,531,090
Buildings and structures	97,305,211	-	-	1,132,711	98,437,922
Revenue vehicles	119,027,959	-	(3,779,477)	4,796,277	120,044,759
Non-revenue vehicles	2,323,457	-	-	54,926	2,378,383
Maintenance equipment	8,558,339	-	-	226,362	8,784,701
Other equipment	30,732,217	-	-	1,728,627	32,460,844
Computer equipment	15,503,818	-	-	724,984	16,228,802
Leasehold improvements	<u>2,021,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,021,835</u>
Total capital assets being depreciated	<u>284,003,926</u>	<u>-</u>	<u>(3,779,477)</u>	<u>8,663,887</u>	<u>288,888,336</u>
Accumulated depreciation of capital assets:					
Land improvements	(4,090,205)	(296,114)	-	-	(4,386,319)
Buildings and structures	(31,811,643)	(2,888,138)	-	-	(34,699,781)
Revenue vehicles	(69,241,826)	(10,338,170)	3,779,477	-	(75,800,519)
Non-revenue vehicles	(1,640,649)	(256,378)	-	-	(1,897,027)
Maintenance equipment	(5,026,172)	(385,609)	-	-	(5,411,781)
Other equipment	(25,444,753)	(1,681,418)	-	-	(27,126,171)
Computer equipment	(12,235,483)	(1,203,134)	-	-	(13,438,617)
Leasehold improvements	<u>(976,865)</u>	<u>(54,924)</u>	<u>-</u>	<u>-</u>	<u>(1,031,789)</u>
Total accumulated depreciation	<u>(150,467,596)</u>	<u>(17,103,885)</u>	<u>3,779,477</u>	<u>-</u>	<u>(163,792,004)</u>
Total capital assets being depreciated, net	<u>133,536,330</u>	<u>(17,103,885)</u>	<u>-</u>	<u>8,663,887</u>	<u>125,096,332</u>
Total capital assets	<u>\$ 141,913,705</u>	<u>\$ (1,570,303)</u>	<u>\$ (3,734)</u>	<u>\$ -</u>	<u>\$ 140,339,668</u>

4. CAPITAL ASSETS (Continued)

Capital assets consisted of the following as of March 31, 2019 and 2018:

	April 1, 2018	Additions	Impairments and Retirements	Transfers	March 31, 2019
Capital assets not being depreciated:					
Land	\$ 5,206,568	\$ -	\$ (50,462)	\$ -	\$ 5,156,106
Construction-in-process	<u>6,549,546</u>	<u>13,229,605</u>	<u>(6,473)</u>	<u>(16,551,409)</u>	<u>3,221,269</u>
Total capital assets not being depreciated	<u>11,756,114</u>	<u>13,229,605</u>	<u>(56,935)</u>	<u>(16,551,409)</u>	<u>8,377,375</u>
Capital assets being depreciated:					
Land improvements	8,531,090	-	-	-	8,531,090
Buildings and structures	92,626,996	-	-	4,678,215	97,305,211
Revenue vehicles	117,827,405	-	(5,953,660)	7,154,214	119,027,959
Non-revenue vehicles	1,857,020	-	(40,364)	506,801	2,323,457
Maintenance equipment	8,253,406	-	-	304,933	8,558,339
Other equipment	27,646,770	-	-	3,085,447	30,732,217
Computer equipment	14,682,019	-	-	821,799	15,503,818
Leasehold improvements	<u>2,021,835</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,021,835</u>
Total capital assets being depreciated	<u>273,446,541</u>	<u>-</u>	<u>(5,994,024)</u>	<u>16,551,409</u>	<u>284,003,926</u>
Accumulated depreciation of capital assets:					
Land improvements	(3,794,091)	(296,114)	-	-	(4,090,205)
Buildings and structures	(28,854,318)	(2,957,325)	-	-	(31,811,643)
Revenue vehicles	(64,918,607)	(10,275,629)	5,952,410	-	(69,241,826)
Non-revenue vehicles	(1,579,283)	(101,730)	40,364	-	(1,640,649)
Maintenance equipment	(4,614,292)	(411,880)	-	-	(5,026,172)
Other equipment	(22,701,505)	(2,743,248)	-	-	(25,444,753)
Computer equipment	(10,805,564)	(1,429,919)	-	-	(12,235,483)
Leasehold improvements	<u>(921,942)</u>	<u>(54,923)</u>	<u>-</u>	<u>-</u>	<u>(976,865)</u>
Total accumulated depreciation	<u>(138,189,602)</u>	<u>(18,270,768)</u>	<u>5,992,774</u>	<u>-</u>	<u>(150,467,596)</u>
Total capital assets being depreciated, net	<u>135,256,939</u>	<u>(18,270,768)</u>	<u>(1,250)</u>	<u>16,551,409</u>	<u>133,536,330</u>
Total capital assets	<u>\$ 147,013,053</u>	<u>\$ (5,041,163)</u>	<u>\$ (58,185)</u>	<u>\$ -</u>	<u>\$ 141,913,705</u>

5. PENSION PLANS

New York State and Local Employees' Retirement System

All of the employees of the RGRTA and GTCS participate in the New York State and Local Employees' Retirement System (the System or NYSLERS). The System is a cost-sharing multiple-employer retirement system. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transactions of the business of the System and for the custody and control of its funds. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Employees' Retirement System, Governor Alfred E. Smith Office Building, Albany, New York, 12244.

The total payroll for the Authority's employees covered by the System for the years ended March 31, 2020 and 2019 was \$1,459,678 and \$1,661,740, respectively. The GTCS payroll for employees covered by the System for the years ended March 31, 2020 and 2019 was \$538,974 and \$537,647, respectively.

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement Systems and are as follows:

- Tier 1 - Those persons who last became members before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for corrections officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who last became members on or after April 1, 2012.

5. PENSION PLANS (Continued)

New York State and Local Employees' Retirement System (Continued)

Tier 3 and Tier 4 members are required to contribute 3% of their wages to the plan for 10 years. Tier 5 members are required to contribute 3% of their salary for the length of their employment. Beginning April 1, 2013, the contribution rate for the Tier 6 members varies based on each member's annual compensation varying between 3% and 6%. The plan cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York Legislature. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as a percentage of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The Authority and GTCS contributions for fiscal years 2020, 2019 and 2018 were equal to the required contributions for the year and were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
RGRTA	\$ 259,968	\$ 253,931	\$ 270,192
GTCS	<u>76,172</u>	<u>65,918</u>	<u>62,794</u>
	<u>\$ 336,140</u>	<u>\$ 319,849</u>	<u>\$ 332,986</u>

Effective May 14, 2003, the System's billings require a minimum employer contribution of 4.5% annually of the fund value at April 1 of the previous fiscal year.

Single Employer Pension Plans

The Authority is the sponsor of four single employer defined benefit pension plans, specifically:

- Retirement Plan for Union Employees of Regional Transit Service, Inc. (RTS Union Plan),
- Retirement Plan for General Administrative and Supervisory (Non-Union) Employees of Regional Transit Service, Inc. (RTS Non-Union Plan),
- Retirement Plan for Union Employees of Lift Line, Inc. (Lift Line Union Plan), and
- Retirement Plan for Non-Union Employees of Lift Line, Inc. and Rural Properties (Lift Line and Regional Entities Non-Union Plan).

These plans provide retirement benefits for 1,298 active and inactive plan participants as of March 31, 2020. Stand-alone financial reports are not issued for any of the above-noted plans.

Each plan provides retirement, disability and death benefits to plan members and beneficiaries. The Board of Commissioners and the Union, if applicable, have the authority to establish and amend the contribution requirements and benefit provisions of each retirement plan.

In addition to providing pension benefits, the RTS Non-Union Plan provides certain postretirement health care and life insurance benefits. In accordance with the RTS Non-Union Plan document, the RTS Non-Union Plan is not required to contribute a portion of the cost if the plan is not funded greater than 120%. During 2020 and 2019, the RTS Non-Union Plan was not funded greater than 120%; therefore, the Plan did not fund this expense.

Participants of the RTS and Lift Line Union Plans are represented by the ATU, and are eligible for coverage on their dates of hire for full-time employment. The Authority is contractually obligated to make contributions on behalf of both the RTS and Lift Line Union Plans. In certain years, the contractual obligation could exceed the actuarially calculated annual required contribution.

5. PENSION PLANS (Continued)

Summary of Benefits Provided, Contributions and Funding Policy

The methods and assumptions used to calculate the actuarially determined and contractually required contributions, as well as the total pension liabilities as of each plan's actuarial valuation dates and then applied to all periods included in the measurement date, are as follows:

	RTS Union Plan	RTS Non-Union Plan	Lift Line Union Plan	Lift Line and Regional Entities Non-Union Plan	NYSLERS
Plan type	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan	Single Employer Defined Benefit Plan	Cost Sharing, Multi-Employer Defined Benefit Plan
Plan valuation date:	11/1/2019 and 11/1/2018	4/1/2019 and 4/1/2018	4/1/2019 and 4/1/2018	5/1/2019 and 5/1/2018	4/1/2018 and 4/1/2017
Plan measurement date:	3/31/2020 and 3/31/2019	3/31/2020 and 3/31/2019	3/31/2020 and 3/31/2019	3/31/2020 and 3/31/2019	3/31/2019 and 3/31/2018
Contribution rates:					
Employer	1.5%(a)	(b)	3.0%	(b)	See above
Plan members	1.5%(a)	(e)	3.0%	3.0%	See above
Normal retirement age	65	62	65	65	See above
Benefits provided	Monthly benefit equal to 1.65% of the average of the five highest years' W-2 earnings (subject to a minimum of \$300 per month and a maximum ranging from \$56 to \$73 per month depending upon date of retirement and years of service) multiplied by years of credited service. (d)	Monthly benefit calculated based on average compensation, as defined by plan, for three highest consecutive years multiplied by years of credited service times 1.75%. (d)	Monthly benefit calculated based on the employee's yearly compensation multiplied by years of credited service times 1.75% for each year of service in excess of 10 years and 1.85% for each year in excess of 20 years.	Monthly benefit calculated based on the employee's yearly compensation multiplied by years of credited service times 1.45%.	See above
Actuarial cost method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Entry Age Cost Method	Aggregate Cost Method
Amortization method (c)	Level Dollar Method	Level Dollar Method	Level Dollar Method	Level Dollar Method	Level Dollar Method
Amortization period	Closed - 10-15 years	Closed - 20 years	Closed - 20 years	Closed - 10 years	Closed - 5 years
Asset valuation method	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	Rolling forward prior year's actuarial value with contributions, disbursements, and expected return on investments at the valuation interest rate, and adding 20% of the difference between the reported market value and the expected actuarial value.	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed rate of return.
Actuarial assumptions:					
Inflation	2.75% (Prior: 3.00%) 9.75% (Prior: 8.25%) per year for first eight (Prior: seven) years of service and 2.75% (Prior: 3.00%) per year thereafter, including inflation	2.75% (Prior: 3.00%)	2.75% (Prior: 3.25%)	2.75% (Prior: 3.25%)	2.50%
Projected salary increases	7.40% (Prior: 7.50%), net of pension plan investment expense (expenses not paid from plan assets), including inflation	3.5% per year, including inflation	4.25% (Prior: 5.00%) per year, including inflation	4.5% per year, including inflation	4.2% per year, including inflation
Investment rate of return	7.1%, net of pension plan investment expense, including inflation	7.1%, net of pension plan investment expense, including inflation	7.25% (Prior: 7.50%), net of pension plan investment expense (expenses not paid from plan assets), including inflation	7.1%, net of pension plan investment expense, including inflation	7.0% compounded annually, net of investment expenses, including inflation
Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables, for Males or Females. RP-2000 Disabled was applied for disabled lives. Mortality rates are adjusted for future mortality improvement by applying Scale AA on a generational basis.	Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables, for Males or Females. RP-2000 Disabled was applied for disabled lives. Mortality rates are adjusted for future mortality improvement by applying Scale AA on a generational basis.	The mortality table used for this valuation is the RP2014 Blue Collar tables (male and female) with generational improvements using Scale SSA (2018). For disabled lives, the RP-2014 Disabled Mortality Tables were used. (Prior: RP-2000)	Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables, for Males or Females. RP-2000 Disabled was applied for disabled lives. Mortality rates are adjusted for future mortality improvement by applying Scale AA on a generational basis.	Annuity mortality rates are based on NYSLERS's 2015 experience study of the period April 1, 2010 through March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Number of active and inactive members at 3/31/2020	837	269	76	106	17
Number of active and inactive members at 3/31/2019	824	281	72	104	17

- (a) If additional contributions are required to fund the benefits of the plan, plan members are required to contribute up to 0.5% of their salaries to fund the additional contribution.
If further additional contributions are required, they are split equally between plan members and RTS.
- (b) RTS' policy is generally to contribute annually an amount equal to the net employer normal cost.
- (c) The amortization method used for all plans incorporates equal payments of principal and interest.
- (d) The percentage used is increased, as defined in the plan, for employees with more than 20 years of credited service with the employer.
- (e) Effective for the RTS Non-Union Plan after March 31, 2015, all new hires are required to contribute 3% of their annual wages.

5. PENSION PLANS (Continued)

Expected Rate of Return on Investments

The long-term expected rate of return on the Authority's pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a downward risk adjustment is applied to the baseline expected return.

The long-term expected rate of return on pension plan investments for each of the Authority's pension plans and the NYSLERS plans, along with the target asset allocation of each of the funds and the weighted-average real and total expected rates of return (except for NYSLERS, for which only the weighted average real rates were provided) for the fiscal year ended March 31, 2020 are summarized in the following tables:

RTS Union Plan			RTS Non-Union Plan		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %	<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	72.00	6.25	Equity Class	58.00	6.00
Fixed Income	18.00	2.00	Fixed Income	35.00	2.00
Alternatives	4.00	8.50	Alternatives	3.00	8.25
Cash Equivalents	6.00	0.40	Cash Equivalents	4.00	0.40
	<u>100.00</u>	5.22		<u>100.00</u>	4.44
Plus inflation		2.75	Plus inflation		2.75
Total return without adjustment		7.97	Total return without adjustment		7.19
Risk adjustment		(0.57)	Risk adjustment		(0.09)
Total expected return		<u>7.40</u>	Total expected return		<u>7.10</u>

Lift Line Union Plan			Lift Line and Regional Entities Non-Union Plan		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %	<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	58.00	6.65	Equity Class	60.00	6.10
Fixed Income	33.00	2.25	Fixed Income	35.00	1.85
Alternatives	3.00	8.50	Alternatives	3.00	8.25
Cash Equivalents	6.00	0.40	Cash Equivalents	2.00	0.40
	<u>100.00</u>	4.88		<u>100.00</u>	4.56
Plus inflation		2.75	Plus inflation		2.75
Total return without adjustment		7.63	Total return without adjustment		7.31
Risk adjustment		(0.38)	Risk adjustment		(0.21)
Total expected return		<u>7.25</u>	Total expected return		<u>7.10</u>

NYSLERS		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	53.91	6.13
Fixed Income	23.25	1.28
Alternatives	21.30	5.51
Cash Equivalents	1.54	(0.25)
	<u>100.00</u>	4.98

5. PENSION PLANS (Continued)

Expected Rate of Return on Investments (Continued)

The long-term expected rate of return on pension plan investments for each of the Authority's pension plans and the NYSLERS plans, along with the target asset allocation of each of the funds and the weighted-average real and total expected rates of return (except for NYSLERS, for which only the weighted average real rates were provided) for the fiscal year ended March 31, 2019 are summarized in the following tables:

RTS Union Plan			RTS Non-Union Plan		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %	<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	62.00	6.35	Equity Class	50.00	5.85
Fixed Income	34.00	3.15	Fixed Income	45.00	2.65
Alternatives	3.00	7.75	Alternatives	3.00	7.25
Cash Equivalents	1.00	0.60	Cash Equivalents	2.00	0.60
	<u>100.00</u>	<u>5.25</u>		<u>100.00</u>	<u>4.35</u>
Plus inflation		<u>2.75</u>	Plus inflation		<u>2.75</u>
Total return without adjustment		8.00	Total return without adjustment		7.10
Risk adjustment		<u>(0.50)</u>	Risk adjustment		-
Total expected return		<u>7.50</u>	Total expected return		<u>7.10</u>

Lift Line Union Plan			Lift Line and Regional Entities Non-Union Plan		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %	<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	50.00	6.35	Equity Class	50.00	5.90
Fixed Income	44.00	3.15	Fixed Income	45.00	2.65
Alternatives	3.00	7.75	Alternatives	3.00	7.25
Cash Equivalents	3.00	0.60	Cash Equivalents	2.00	0.60
	<u>100.00</u>	<u>4.81</u>		<u>100.00</u>	<u>4.37</u>
Plus inflation		<u>2.75</u>	Plus inflation		<u>2.75</u>
Total return without adjustment		7.56	Total return without adjustment		7.12
Risk adjustment		<u>(0.06)</u>	Risk adjustment		<u>(0.02)</u>
Total expected return		<u>7.50</u>	Total expected return		<u>7.10</u>

NYSLERS		
<u>Asset Class</u>	Target Allocation in %	Long-Term Expected Real Rate of Return in %
Equity Class	60.00	6.22
Fixed Income	21.00	1.41
Alternatives	18.00	5.31
Cash Equivalents	1.00	(0.25)
	<u>100.00</u>	<u>4.98</u>

5. PENSION PLANS (Continued)

Net Pension Liability

The Authority's net pension liabilities for each of the pension plans reported at March 31, 2020 and 2019 were measured as of the Authority's fiscal year end. The total pension liabilities used to calculate those net pension liabilities were determined by actuarial valuations as of each pension plan's valuation date, and rolled forward to the Authority's fiscal year end.

Changes in the Net Pension Liability and Related Ratios

Changes in the Authority's pension plans for the year ended March 31, 2020, based upon the measurement dates noted above, are as follows:

	RTS Union Plan	RTS Non- Union Plan	Lift Line Union Plan	Lift Line and Regional Entities Non- Union Plan
Total pension liability				
Service cost	\$ 1,020,611	\$ 711,054	\$ 175,652	\$ 164,528
Interest	4,243,807	1,863,463	291,724	214,160
Changes of benefit terms	2,809,230	-	-	-
Differences between expected and actual experience	1,792,101	(1,458,095)	(8,538)	(19,967)
Changes of assumptions	1,784,179	-	368,997	-
Benefit payments, including refunds of member contributions	<u>(4,298,162)</u>	<u>(1,361,569)</u>	<u>(130,006)</u>	<u>(126,969)</u>
Net change in total pension liability	7,351,766	(245,147)	697,829	231,752
Total pension liability - beginning	<u>\$ 57,673,718</u>	<u>\$ 26,204,009</u>	<u>\$ 3,777,830</u>	<u>\$ 2,914,201</u>
Total pension liability - ending (a)	<u>\$ 65,025,484</u>	<u>\$ 25,958,862</u>	<u>\$ 4,475,659</u>	<u>\$ 3,145,953</u>
Plan fiduciary net position				
Contributions - employer	\$ 643,198	\$ 1,028,018	\$ 98,477	\$ 149,276
Contributions - member	1,079,313	62,131	99,390	87,598
Net investment income	1,002,960	676,050	175,868	109,344
Benefit payments, including refunds of member contributions	(4,298,162)	(1,361,569)	(130,006)	(126,969)
Administrative expense	<u>(43,696)</u>	<u>(15,684)</u>	<u>(291)</u>	<u>(32,608)</u>
Net change in plan fiduciary net position	\$ (1,616,387)	\$ 388,946	\$ 243,438	\$ 186,641
Plan fiduciary net position - beginning	<u>56,107,287</u>	<u>20,865,383</u>	<u>4,147,774</u>	<u>2,507,800</u>
Plan fiduciary net position - ending (b)	<u>\$ 54,490,900</u>	<u>\$ 21,254,329</u>	<u>\$ 4,391,212</u>	<u>\$ 2,694,441</u>
Net pension (asset) liability - beginning	<u>\$ 1,566,431</u>	<u>\$ 5,338,626</u>	<u>\$ (369,944)</u>	<u>\$ 406,401</u>
Net pension (asset) liability - ending (a)-(b)	<u>\$ 10,534,584</u>	<u>\$ 4,704,533</u>	<u>\$ 84,447</u>	<u>\$ 451,512</u>
Plan fiduciary net position as a percentage of the total pension liability	83.8%	81.9%	98.1%	85.6%
Covered-employee payroll	\$ 28,624,341	\$ 7,847,466	\$ 2,933,280	\$ 2,486,700
Net pension (asset) liability as a percentage of covered employee payroll	<u>36.8%</u>	<u>59.9%</u>	<u>2.9%</u>	<u>18.2%</u>

5. PENSION PLANS (Continued)

Changes in the Net Pension Liability and Related Ratios (Continued)

Changes in the Authority's pension plans for the year ended March 31, 2019, based upon the measurement dates noted above, are as follows:

	RTS Union Plan	RTS Non- Union Plan	Lift Line Union Plan	Lift Line and Regional Entities Non- Union Plan
<i>Total pension liability</i>				
Service cost	\$ 990,884	\$ 687,009	\$ 168,491	\$ 157,443
Interest	4,166,239	1,779,416	267,518	196,917
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(3,462)	1,186,348	594,681	(8,713)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(3,879,301)</u>	<u>(1,253,698)</u>	<u>(111,188)</u>	<u>(109,844)</u>
Net change in total pension liability	1,274,360	2,399,075	919,502	235,803
Total pension liability - beginning	<u>\$ 56,399,358</u>	<u>\$ 23,804,934</u>	<u>\$ 2,858,328</u>	<u>\$ 2,678,398</u>
Total pension liability - ending (a)	<u>\$ 57,673,718</u>	<u>\$ 26,204,009</u>	<u>\$ 3,777,830</u>	<u>\$ 2,914,201</u>
<i>Plan fiduciary net position</i>				
Contributions - employer	\$ 596,113	\$ 1,070,335	\$ 113,092	\$ 151,799
Contributions - member	1,087,048	47,690	112,804	80,775
Net investment income	3,956,776	920,799	244,769	156,620
Benefit payments, including refunds of member contributions	(3,879,301)	(1,253,698)	(111,188)	(109,844)
Administrative expense	<u>(13,105)</u>	<u>(13,738)</u>	<u>(322)</u>	<u>(29,910)</u>
Net change in plan fiduciary net position	\$ 1,747,531	\$ 771,388	\$ 359,155	\$ 249,440
Plan fiduciary net position - beginning	<u>54,359,756</u>	<u>20,093,995</u>	<u>3,788,619</u>	<u>2,258,360</u>
Plan fiduciary net position - ending (b)	<u>\$ 56,107,287</u>	<u>\$ 20,865,383</u>	<u>\$ 4,147,774</u>	<u>\$ 2,507,800</u>
Net pension (asset) liability - beginning	<u>\$ 2,039,602</u>	<u>\$ 3,710,939</u>	<u>\$ (930,291)</u>	<u>\$ 420,038</u>
Net pension (asset) liability - ending (a)-(b)	<u>\$ 1,566,431</u>	<u>\$ 5,338,626</u>	<u>\$ (369,944)</u>	<u>\$ 406,401</u>
Plan fiduciary net position as a percentage of the total pension liability	97.3%	79.6%	109.8%	86.1%
Covered-employee payroll	\$ 26,260,485	\$ 7,532,266	\$ 2,746,811	\$ 2,513,228
Net pension (asset) liability as a percentage of covered employee payroll	<u>6.0%</u>	<u>70.9%</u>	<u>-13.5%</u>	<u>16.2%</u>

5. PENSION PLANS (Continued)

Discount Rate

The discount rate used to measure the total pension liability of each pension plan is presented in the following table:

Plan	Discount Rate %	
	March 31, 2020	March 31, 2019
RTS Union	7.40	7.50
RTS Non-Union	7.10	7.10
Lift Line Union	7.25	7.50
Lift Line and Regional Entities Non-Union	7.10	7.10

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for each of the Authority's plans, calculated using the discount rates for each plan, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

RTS Union Plan

	March 31, 2020			March 31, 2019		
	Current Discount			Current		
	1% Decrease	Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
Discount rate	6.40%	7.40%	8.40%	6.50%	7.50%	8.50%
Net pension (asset) liability	\$ 16,617,494	\$ 10,534,584	\$ 5,260,999	\$ 6,803,730	\$ 1,566,431	\$ (3,152,141)

RTS Non-Union Plan

	March 31, 2020			March 31, 2019		
	Current Discount			Current		
	1% Decrease	Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
Discount rate	6.10%	7.10%	8.10%	6.10%	7.10%	8.10%
Net pension liability	\$ 7,641,170	\$ 4,704,533	\$ 2,216,507	\$ 8,278,059	\$ 5,338,626	\$ 2,847,142

Lift Line Union Plan

	March 31, 2020			March 31, 2019		
	Current Discount			Current		
	1% Decrease	Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
Discount rate	6.25%	7.25%	8.25%	6.50%	7.50%	8.50%
Net pension (asset) liability	\$ 590,393	\$ 84,447	\$ (354,220)	\$ 61,192	\$ (369,944)	\$ (743,294)

Lift Line and Regional Entities Non-Union Plan

	March 31, 2020			March 31, 2019		
	Current Discount			Current		
	1% Decrease	Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
Discount rate	6.10%	7.10%	8.10%	6.10%	7.10%	8.10%
Net pension liability	\$ 808,464	\$ 451,512	\$ 147,204	\$ 736,526	\$ 406,401	\$ 124,994

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. PENSION PLANS (Continued)

Sensitivity of RGRTA and GTCS Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - NYSLERS

The following presents RGRTA's and GTCS' share of the net pension liability for NYSLERS using the current discount rate, as well as the proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

RGRTA

	March 31, 2020			March 31, 2019		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
Discount rate	6.00%	7.00%	8.00%	6.00%	7.00%	8.00%
Net pension (asset) liability	\$ 1,863,498	\$ 426,219	\$ (781,197)	\$ 1,522,229	\$ 201,186	\$ (916,363)

GTCS

	March 31, 2020			March 31, 2019		
	Current Discount			Current Discount		
	1% Decrease	Rate	1% Increase	1% Decrease	Rate	1% Increase
Discount rate	6.00%	7.00%	8.00%	6.00%	7.00%	8.00%
Net pension (asset) liability	\$ 743,569	\$ 170,069	\$ (311,711)	\$ 533,961	\$ 70,571	\$ (321,438)

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

For the years ended March 31, 2020 and 2019, the Authority recognized pension expense related to each pension plan as follows:

Pension Plan	2020	2019
RTS Union	\$ 4,624,572	\$ 514,391
RTS Non-Union	1,479,315	1,522,457
Lift Line Union	196,939	91,453
Lift Line Non-Union	153,097	137,368
RGRTA - NYSLERS	307,619	270,085
GTCS - NYSLERS	77,982	55,073
	<u>\$ 6,839,524</u>	<u>\$ 2,590,827</u>

5. PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

As of March 31, 2020, the Authority reported deferred outflow and deferred inflow of resources for each pension plan as follows:

	RTS Union Plan		RTS Non-Union Plan		Lift Line Union Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,211,703	\$ (561,061)	\$ 977,546	\$ (1,259,762)	\$ 511,736	\$ (185,361)
Net difference between projected and actual earnings on plan investments	1,178,901	(1,695,907)	804,517	-	75,858	-
Changes in actuarial assumptions	2,053,832	-	-	(28,805)	429,269	(414,268)
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-
Employer contributions to the plan subsequent to the measurement date of the net pension liability	-	-	-	-	-	-
Total	<u>\$ 5,444,436</u>	<u>\$ (2,256,968)</u>	<u>\$ 1,782,063</u>	<u>\$ (1,288,567)</u>	<u>\$ 1,016,863</u>	<u>\$ (599,629)</u>
	Lift Line and Regional Entities Non-Union Plan		RGRTA - NYSLERS		GTC - NYSLERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,863	\$ (30,841)	\$ 83,931	\$ (28,611)	\$ 33,490	\$ (11,416)
Net difference between projected and actual earnings on plan investments	41,969	-	-	(109,391)	-	(43,649)
Changes in actuarial assumptions	-	(112,286)	107,134	-	42,748	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	60,615	(9,513)	9,322	(67,466)
Employer contributions to the plan subsequent to the measurement date of the net pension liability	-	-	259,968	-	76,172	-
Total	<u>\$ 83,832</u>	<u>\$ (143,127)</u>	<u>\$ 511,648</u>	<u>\$ (147,515)</u>	<u>\$ 161,732</u>	<u>\$ (122,531)</u>

5. PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

As of March 31, 2019, the Authority reported deferred outflow and deferred inflow of resources for each pension plan as follows:

	RTS Union Plan		RTS Non-Union Plan		Lift Line Union Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,165,639	\$ (747,888)	\$ 1,237,488	\$ (139,398)	\$ 580,201	\$ (200,463)
Net difference between projected and actual earnings on plan investments	-	(1,089,884)	538,404	-	13,784	-
Changes in actuarial assumptions	1,134,031	(2,261,209)	-	(57,608)	141,232	(473,449)
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-	-	-	-
Employer contributions to the plan subsequent to the measurement date of the net pension liability	-	-	-	-	-	-
Total	<u>\$ 2,299,670</u>	<u>\$ (4,098,981)</u>	<u>\$ 1,775,892</u>	<u>\$ (197,006)</u>	<u>\$ 735,217</u>	<u>\$ (673,912)</u>
	Lift Line and Regional Entities Non-Union Plan		RGRTA - NYSLERS		GTC - NYSLERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,188	\$ (16,167)	\$ 71,757	\$ (59,297)	\$ 25,170	\$ (20,800)
Net difference between projected and actual earnings on plan investments	-	(3,249)	292,207	(576,787)	102,499	(202,323)
Changes in actuarial assumptions	-	(140,358)	133,403	-	46,795	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	71,540	-	-	(75,746)
Employer contributions to the plan subsequent to the measurement date of the net pension liability	-	-	253,931	-	65,918	-
Total	<u>\$ 59,188</u>	<u>\$ (159,774)</u>	<u>\$ 822,838</u>	<u>\$ (636,084)</u>	<u>\$ 240,382</u>	<u>\$ (298,869)</u>

5. PENSION PLANS (Continued)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The annual differences between the projected and actual earnings on investments are amortized over a five year closed period beginning the year in which the difference occurs.

Amounts reported as net deferred outflows (inflows) of resources related to pensions will be recognized in future pension expense as follows:

Year Ending March 31	RTS Union Plan	RTS Non-Union Plan	Lift Line Union Plan	Lift Line and Regional Entities Non- Union Plan	RGRTA - NYSLERS	GTC - NYSLERS	Total
2021	\$ 619,693	\$ 127,632	\$ 65,618	\$ (16,342)	\$ (66,086)	\$ (51,800)	\$ 678,715
2022	122,836	240,441	86,086	(6,612)	2,801	(14,920)	430,632
2023	553,186	261,982	99,219	(13,362)	58,729	19,632	979,386
2024	1,295,708	106,456	91,356	(15,716)	-	-	1,477,804
2025	596,045	(243,015)	29,361	(1,183)	-	-	381,208
Thereafter	-	-	45,594	(6,081)	-	-	39,513
	<u>\$ 3,187,468</u>	<u>\$ 493,496</u>	<u>\$ 417,234</u>	<u>\$ (59,296)</u>	<u>\$ (4,556)</u>	<u>\$ (47,088)</u>	<u>\$ 3,987,258</u>

Summary of Net Pension Liabilities, Deferred Outflows and Deferred Inflows

The components of the net pension liabilities, deferred outflows of resources and deferred inflows of resources are as follows as of March 31,:

Plan	2020			2019		
	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
RTS Union	\$ 10,534,584	\$ 5,444,436	\$ (2,256,968)	\$ 1,566,431	\$ 2,299,670	\$ (4,098,981)
RTS Non-Union	4,704,533	1,782,063	(1,288,567)	5,338,626	1,775,892	(197,006)
Lift Line Union	84,447	1,016,863	(599,629)	(369,944)	735,217	(673,912)
Lift Line and Regional Entities Non- Union Plan	451,512	83,832	(143,127)	406,401	59,188	(159,774)
RGRTA - NYSLERS	426,219	511,648	(147,515)	201,186	822,838	(636,084)
GTC - NYSLERS	170,069	161,732	(122,531)	70,571	240,382	(298,869)
Total	<u>\$ 16,371,364</u>	<u>\$ 9,000,574</u>	<u>\$ (4,558,337)</u>	<u>\$ 7,213,271</u>	<u>\$ 5,933,187</u>	<u>\$ (6,064,626)</u>

6. OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Authority provides certain postemployment insurance benefits to retired RTS union employees and non-union employees of RTS and RGRTA hired on or before August 4, 2016. These benefits are provided and can be amended based upon collective bargaining agreements as well as established practices which together constitute a substantive plan (the Plan). The Authority combines the two plans and administers as a single employer defined benefit other postemployment benefit (OPEB) Plan.

Employees are eligible to participate if they meet the criteria for normal retirement (age 65 and minimum 10 years of service for union, and age 62 and minimum 10 years of service for non-union), disability retirement (15 years of service for union and non-union) or early retirement (age 55 and minimum 25 years of service for union, age 55 and minimum 15 years of service for non-union). The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

Currently, the Plan is funded by the Authority on a pay-as-you-go basis. As of the date of these financial statements, New York State has not yet adopted legislation that would enable government entities to establish a GASB qualifying trust for the purpose of funding OPEB benefits. Pending such legislation, the Authority established an OPEB reserve fund in 2007. As a result, there are no assets accumulated in a trust that meets the criteria of GASB 75, paragraph 4.

Employees Covered by Benefit Terms

At April 1, the following employees were covered by the benefit terms:

	<u>2020</u>	<u>2019</u>
Inactive employees or beneficiaries currently receiving benefits	264	285
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	<u>407</u>	<u>447</u>
Total participants	<u><u>671</u></u>	<u><u>732</u></u>

Total OPEB Liability

The Authority's total OPEB liability of \$148,049,462 and \$114,878,155 was measured as of March 31, 2020 and 2019, respectively, and was determined by actuarial valuations as of April 1, 2019 and 2017, respectively.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 1, 2019 and 2017 actuarial valuations were determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Reporting Dates	March 31, 2020 and 2019
Measurement Dates	March 31, 2020 and 2019
Actuarial Valuation Dates	April 1, 2019 and 2017
Discount Rate	2.27% / 3.86%
Rate of Compensation Increase	2.00%
Inflation Rate	2.90%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight Line
Amortization Period	5.45 / 6.29 years

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rates were based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rates as of April 1, 2019 and 2017.

For the April 1, 2019 valuation, mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2019 mortality improvement scale on a fully generational basis. For the April 1, 2017 valuation, mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2017 mortality improvement scale on a fully generational basis. Both assumptions were based on a review of published mortality tables and the demographics of the Plan.

The actuarial assumptions used in the April 1, 2019 and 2017 valuations were based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of cost sharing between the employer and plan members.

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows for the fiscal years ended March 31:

	<u>2020</u>	<u>2019</u>
Balance – April 1	\$ 114,878,155	\$ 108,346,893
Changes for the year:		
Service cost	6,540,453	4,940,708
Interest	3,179,956	4,164,628
Assumption changes	32,255,292	-
Difference between actual and expected experience	(5,290,167)	-
Change in actuarial cost method	-	-
Benefit payments	<u>(3,514,227)</u>	<u>(2,574,074)</u>
Balance – March 31	<u>\$ 148,049,462</u>	<u>\$ 114,878,155</u>

Changes in assumptions reflect a change in the discount rate from 3.89% as of April 1, 2017 to 2.27% as of April 1, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% higher (3.27% / 4.89%) or 1% lower (1.27% / 2.89%) than the current discount rate (2.27% / 3.89%).

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
March 31, 2020	\$ 175,740,014	\$ 148,049,462	\$ 126,021,071
March 31, 2019	\$ 123,120,872	\$ 114,878,157	\$ 102,291,466

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% higher (7.10% / 11.00%) or 1% lower (5.10% / 9.00%) than the current healthcare cost trend rate (6.10% / 10.00%).

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
March 31, 2020	\$ 123,296,094	\$ 148,049,462	\$ 179,768,583
March 31, 2019	\$ 91,099,181	\$ 114,878,157	\$ 140,938,716

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

The Authority recognized OPEB expense of \$14,579,768 and \$6,531,264 for the fiscal years ended March 31, 2020 and 2019, respectively.

During the fiscal year ended March 31, 2020, the Authority recognized the following deferred inflows and outflows of resources:

		<u>Attributable to</u>		
	<u>Actual vs Expected Experience</u>	<u>Assumption Changes</u>	<u>Plan Changes</u>	<u>Expected Return on Investments</u>
Deferred Outflow	\$ -	\$ 26,336,891	\$ -	\$ -
Deferred Inflow	<u>(4,319,494)</u>	<u>(290,732)</u>	<u>-</u>	<u>-</u>
	<u>\$ (4,319,494)</u>	<u>\$ 26,046,159</u>	<u>\$ -</u>	<u>\$ -</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the fiscal years ending March 31:

		<u>Amortization of</u>		
	<u>Actual vs Expected Experience</u>	<u>Assumption Changes</u>	<u>Plan Changes</u>	<u>Expected Return on Investments</u>
March 31, 2021	\$ (970,673)	\$ 5,830,032	\$ -	\$ -
March 31, 2022	(970,673)	5,830,032	-	-
March 31, 2023	(970,673)	5,830,032	-	-
March 31, 2024	(970,673)	5,830,032	-	-
March 31, 2025	(436,802)	2,663,287	-	-
Thereafter	-	-	-	-

7. SELF-INSURANCE

The Authority maintains aggregate automobile liability insurance coverage of \$15,000,000, including the first \$1,500,000 per incident for which the Authority is self-insured. The Authority is also self-insured for workers' compensation, environmental claims, and certain forms of property damage. The Authority has set aside assets for claim settlement and servicing. All component units of the Authority are covered by these assets.

Claims liabilities are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Annually, the Authority engages an actuary to perform a study to estimate the potential exposure related to incurred but not reported claims for workers' compensation.

The information below summarizes the workers' compensation activity for the years ended March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance – April 1	\$ 7,370,000	\$ 6,150,000
Current Year Claims and Changes in Estimates	747,157	1,888,440
Claims Payments	<u>(747,157)</u>	<u>(668,440)</u>
Balance – March 31	<u>\$ 7,370,000</u>	<u>\$ 7,370,000</u>

The information below summarizes the reserve for litigated and unlitigated claims activity for the years ended March 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance – April 1	\$ 2,986,770	\$ 3,530,976
Current Year Claims and Changes in Estimates	658,322	576,091
Claims (Payments)/Recoupments	<u>(902,044)</u>	<u>(1,120,297)</u>
Balance – March 31	<u>\$ 2,743,048</u>	<u>\$ 2,986,770</u>

Changes in the investments designated for self-insurance during the years ended March 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Balance – April 1	\$ 3,868,653	\$ 3,786,686
Uses of self-insurance investments	-	-
Earnings on self-insurance investments, net	<u>157,889</u>	<u>81,967</u>
Balance – March 31	<u>\$ 4,026,542</u>	<u>\$ 3,868,653</u>

The amount of assets segregated for self-insurance has been estimated by the Authority based upon past experience and consideration of current outstanding issues and is not the result of an actuarially-determined methodology.

8. CAPITAL RESERVE FUND

In fiscal 1999, the Board of Commissioners authorized the establishment of a capital reserve fund to accumulate resources for future capital purchases. The capital reserve was funded initially from unrestricted net assets. During fiscal 2000 and 2007, \$1,200,000 and \$1,000,000, respectively, was added to the capital reserve fund from additional Statewide Mass Transit Operating Assistance (STOA) funding. Otherwise, the capital reserve fund has been funded with amounts budgeted for local depreciation, to the extent practicable.

Changes in the investments designated for capital reserve during the years ended March 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Balance – April 1	\$ -	\$ -
Additional funding from unrestricted net position	-	-
Temporary funding from working capital	1,552,336	921,398
Investment earnings	-	-
Local share of capital purchases	<u>(1,552,336)</u>	<u>(921,398)</u>
Balance – March 31	<u>\$ -</u>	<u>\$ -</u>

9. COMMITMENTS

Fuel Swap

The Authority entered into contracts with Cargill to reduce the risk of price volatility for diesel fuel supply for the periods shown below. The Authority has treated each of these contracts as a normal purchase contract and accordingly, has determined that they are not subject to the requirements of GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments*.

The swap contracts for year ended March 31, 2020 and 2019 covered approximately 66% and 65%, respectively, of total fuel establishing a cap on fuel cost per gallon for that portion of fuel needs. The balance of the Authority's fuel supply needs were purchased via the spot market to take advantage of market prices that fall below the fixed price swap amount per gallon.

Terms

The terms of the Authority's fuel swap contracts were as follows:

<u>Notional Amount</u>	<u>Counter- Party Credit Rating *</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>
113,400 Gallons of Diesel Fuel per Month	A	4/1/2019	3/31/2020	Pay \$1.9200 per gallon of diesel fuel, receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.
114,660 Gallons of Diesel Fuel per Month	A	4/1/2018	3/31/2019	Pay \$1.9061 per gallon of diesel fuel, receive floating price NY Harbor Ultra Low Sulfur Diesel Fuel price back.

* As noted by Standard and Poors.

9. COMMITMENTS (Continued)

Fuel Swap (Continued)

During fiscal 2020, the Authority made \$107,265 in net cash payments from Cargill. During fiscal 2019, the Authority received \$240,568 in net cash payments from Cargill.

Credit Risk

The Authority is exposed to credit risk related to the fuel swap when it is in an asset position. In such instances, the total amount of the fuel swap contract represents the maximum loss that would have been recognized at the reporting date if Cargill failed to perform. The Authority has entered into a collateral support agreement with Cargill to mitigate the risk of non-performance during the period the fuel swap is in effect.

The collateral agreement requires that if the performance exposure and, the position market value of the fuel swap, were to exceed \$7,500,000, then either party may demand the other party transfer collateral at least equal to the excess exposure. The collateral shall be in the form of U.S. dollars and held in a bank account in the United States.

The fuel swap could terminate at any time if certain events occur that result in one party not performing in accordance with the agreement. The fuel swap may terminate due to illegality, a credit event upon merger, or an event of default and illegality. If the fuel swap is in a liability position at the time of termination, the Authority would be liable for a payment equal to the liability.

10. CONTINGENCIES

The Authority and certain Organizations are defendants in various personal injury, property damage liability and labor dispute lawsuits. It is not possible at this time to predict the outcome of the legal actions currently in process or pending against the Authority and the Organizations. In the opinion of management, however, the disposition of the lawsuits will not have a material adverse effect on the financial position of the Authority and the Organizations.

11. SOIL REMEDIATION LIABILITY

Pollution remediation obligations, which are estimates and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations, occur when any one of the following obligating events takes place:

- An imminent threat to public health due to pollution exists,
- The Authority is in violation of a pollution prevention-related permit or license,
- The Authority is named by a regulator as a responsible or potentially responsible party to participate in remediation,
- The Authority is named or there is evidence to indicate that it will be named in a lawsuit that compels participation in remediation activities, or
- The Authority voluntarily commends or legally obligates itself to commence remediation efforts.

In 2009, the Authority identified and estimated costs related to a remediation obligation and accordingly, recorded a non-operating expense and corresponding liability for soil contamination remediation obligations. The soil remediation liability consists of future and present activities associated with the de-contamination of the soil at the Authority's operations headquarters. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

11. SOIL REMEDIATION LIABILITY (Continued)

The Authority had the following activity related to soil remediation for the years ended March 31:

	<u>2020</u>	<u>2019</u>
Soil remediation liability – April 1	\$ 928,800	\$ 928,800
Expected additional future outlays, increasing liability Estimates	-	-
Payments for soil remediation and changes in estimate	<u>(2,596)</u>	<u>-</u>
Soil remediation liability – March 31	926,204	928,800
Less: Current portion	<u>(284,759)</u>	<u>(285,279)</u>
Long-term soil remediation liability	<u>\$ 641,445</u>	<u>\$ 643,521</u>

The Authority has estimated it will expend \$284,759 during the year ending March 31, 2021 and has recorded this amount as a current liability.

12. IMPACT OF NOVEL CORONAVIRUS (COVID-19) PANDEMIC

On March 1, 2020, the first case of novel coronavirus (COVID-19) was reported in the State of New York. On March 11, 2020, Monroe County, the largest county in the Authority's service area, reported its first COVID-19 case and on that same date, the World Health Organization declared the outbreak of COVID-19 a pandemic. The Authority, following guidance of Local, State and Federal officials, began the process of ensuring safety for all our customers and employees shortly after this declaration. Accordingly, the Authority instituted free fares and rear door entry throughout our service area, implemented enhanced vehicle and facility cleaning procedures and directed all non-essential employees to work from home. The impact of these measures and the community response to COVID-19 was both financial and operational due to reduced ridership and fare revenue. On March 20, 2020, New York State Governor Cuomo issued a statewide shut down of non-essential businesses resulting in continued declines in ridership and impacts to finances at the State level.

The Authority's reliance on State funding is noted throughout these financial statements, as well as in our operating budget and future budgetary projections. While the uncertainties caused by the pandemic are considered temporary, the longer-term financial impact on our essential service, public transportation, is not reasonably predictable at this time. However, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress and signed by the President on March 27, 2020, made available to the Authority approximately \$45 million in Federal funding to the Authority to support ongoing service and provide near-term financial stability.

13. CONDENSED FINANCIAL INFORMATION

The financial statements of the Authority include the accounts of RGRTA, and its ten (10) blended component units for which the Authority is financially accountable, as more completely described in Note 1, "Basis of Presentation". Condensed financial information for each of these entities as of March 31, 2020 is as follows:

Condensed statement of net position (in millions) As of March 31, 2020

	RGRTA	RTS	Access
Assets:			
Current	\$ 53.3	\$ 7.2	\$ 0.6
Capital	-	127.1	2.8
Other	<u>70.6</u>	<u>-</u>	<u>-</u>
Total assets	123.9	134.3	3.4
Deferred outflows of resources	<u>0.9</u>	<u>33.2</u>	<u>1.1</u>
Total assets and deferred outflows of resources	<u>124.8</u>	<u>167.5</u>	<u>4.5</u>
Liabilities:			
Current	8.1	17.7	1.8
Long-term	<u>2.4</u>	<u>161.9</u>	<u>0.5</u>
Total liabilities	10.5	179.6	2.3
Deferred inflows of resources	<u>0.2</u>	<u>8.1</u>	<u>0.7</u>
Total liabilities and deferred inflows of resources	10.7	187.7	3.0
Net Position:			
Net investment in capital assets	-	127.1	2.8
Unrestricted	<u>114.1</u>	<u>(147.3)</u>	<u>(1.4)</u>
Total net position	<u>\$ 114.1</u>	<u>\$ (20.2)</u>	<u>\$ 1.4</u>

	Genesee	Livingston	Ontario
Assets:			
Current	\$ -	\$ -	\$ 0.1
Capital	0.5	2.4	1.6
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>0.5</u>	<u>2.4</u>	<u>1.7</u>
Liabilities:			
Current	0.4	0.2	0.5
Long-term	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>0.4</u>	<u>0.2</u>	<u>0.5</u>
Net Position:			
Net investment in capital assets	0.5	2.4	1.6
Unrestricted	<u>(0.4)</u>	<u>(0.2)</u>	<u>(0.3)</u>
Total net position	<u>\$ 0.1</u>	<u>\$ 2.2</u>	<u>\$ 1.3</u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed statement of net position (in millions)
As of March 31, 2020

	Orleans	Seneca	Wayne
Assets:			
Current	\$ -	\$ -	\$ 0.4
Capital	3.6	0.3	1.4
Other	-	-	-
Total assets	<u>3.6</u>	<u>0.3</u>	<u>1.8</u>
Liabilities:			
Current	0.1	0.1	0.3
Long-term	-	-	-
Total liabilities	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>
Net Position:			
Net investment in capital assets	3.6	0.3	1.4
Unrestricted	(0.1)	(0.1)	0.1
Total net position	<u>\$ 3.5</u>	<u>\$ 0.2</u>	<u>\$ 1.5</u>

	Wyoming	GTCS
Assets:		
Current	\$ -	\$ 5.0
Capital	0.6	-
Other	-	-
Total assets	<u>0.6</u>	<u>5.0</u>
Deferred outflows of resources	<u>-</u>	<u>0.2</u>
Total assets and deferred outflows of resources	<u>0.6</u>	<u>5.2</u>
Liabilities:		
Current	0.2	5.0
Long-term	-	0.2
Total liabilities	<u>0.2</u>	<u>5.2</u>
Deferred inflows of resources	<u>-</u>	<u>0.1</u>
Total liabilities and deferred inflows of resources	<u>0.2</u>	<u>5.3</u>
Net Position:		
Net investment in capital assets	0.6	-
Unrestricted	(0.2)	(0.1)
Total net position	<u>\$ 0.4</u>	<u>\$ (0.1)</u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed statement of revenues, expenses and changes in net position (in millions)
For the year ended March 31, 2020

	RGRTA	RTS	Access
Operating revenues	\$ 1.7	\$ 25.1	\$ 0.4
Operating expenses	2.8	91.2	9.3
Depreciation	<u>-</u>	<u>14.2</u>	<u>0.9</u>
Operating income (loss)	<u>(1.1)</u>	<u>(80.3)</u>	<u>(9.8)</u>
Non-operating revenues (expenses)	3.3	52.2	8.7
Capital contributions	<u>-</u>	<u>15.1</u>	<u>0.3</u>
Change in net position	2.2	(13.0)	(0.8)
Beginning net position	<u>111.9</u>	<u>(7.2)</u>	<u>2.2</u>
Ending net position	<u>\$ 114.1</u>	<u>\$ (20.2)</u>	<u>\$ 1.4</u>

	Genesee	Livingston	Ontario
Operating revenues	\$ 0.3	\$ 0.6	\$ 0.4
Operating expenses	1.0	2.0	2.5
Depreciation	<u>0.1</u>	<u>0.3</u>	<u>0.6</u>
Operating income (loss)	<u>(0.8)</u>	<u>(1.7)</u>	<u>(2.7)</u>
Nonoperating revenues (expenses)	0.7	1.3	2.1
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(0.1)	(0.4)	(0.6)
Beginning net position	<u>0.2</u>	<u>2.6</u>	<u>1.9</u>
Ending net position	<u>\$ 0.1</u>	<u>\$ 2.2</u>	<u>\$ 1.3</u>

13. **CONDENSED FINANCIAL INFORMATION (Continued)**

Condensed statement of revenues, expenses and changes in net position (in millions)
For the year ended March 31, 2020

	Orleans	Seneca	Wayne
Operating revenues	\$ -	\$ 0.1	\$ 2.1
Operating expenses	0.7	0.9	2.6
Depreciation	<u>0.2</u>	<u>0.2</u>	<u>0.4</u>
Operating income (loss)	<u>(0.9)</u>	<u>(1.0)</u>	<u>(0.9)</u>
Nonoperating revenues			
(expenses)	0.7	0.8	0.3
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(0.2)	(0.2)	(0.6)
Beginning net position	<u>3.7</u>	<u>0.4</u>	<u>2.1</u>
Ending net position	<u>\$ 3.5</u>	<u>\$ 0.2</u>	<u>\$ 1.5</u>

	Wyoming	GTCS
Operating revenues	\$ 0.1	\$ 0.1
Operating expenses	1.3	2.1
Depreciation	<u>0.1</u>	<u>-</u>
Operating income (loss)	<u>(1.3)</u>	<u>(2.0)</u>
Nonoperating revenues		
(expenses)	1.2	2.1
Capital contributions	<u>-</u>	<u>-</u>
Change in net position	(0.1)	0.1
Beginning net position	<u>0.5</u>	<u>(0.2)</u>
Ending net position	<u>\$ 0.4</u>	<u>\$ (0.1)</u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed statement of cash flows (in millions)
For the year ended March 31, 2020

	RGR TA	RTS	Access
Cash provided by (used for):			
Operating activities	\$ 0.6	\$ (52.3)	\$ (8.7)
Noncapital financing activities	(1.5)	52.2	8.7
Capital and related financing activities	(4.2)	-	-
Investing activities	(0.7)	-	-
Net change	(5.8)	(0.1)	-
Beginning cash and equivalents	18.5	0.1	-
Ending cash and equivalents	\$ 12.7	\$ -	\$ -
	Genesee	Livingston	Ontario
Cash provided by (used for):			
Operating activities	\$ (0.7)	\$ (1.3)	\$ (2.1)
Noncapital financing activities	0.7	1.3	2.1
Capital and related financing activities	-	-	-
Investing activities	-	-	-
Net change	-	-	-
Beginning cash and equivalents	-	-	-
Ending cash and equivalents	\$ -	\$ -	\$ -
	Orleans	Seneca	Wayne
Cash provided by (used for):			
Operating activities	\$ (0.4)	\$ (0.8)	\$ (0.3)
Noncapital financing activities	0.7	0.8	0.3
Capital and related financing activities	(0.3)	-	-
Investing activities	-	-	-
Net change	-	-	-
Beginning cash and equivalents	-	-	-
Ending cash and equivalents	\$ -	\$ -	\$ -

13. **CONDENSED FINANCIAL INFORMATION (Continued)**

Condensed statement of cash flows (in millions)
For the year ended March 31, 2020

	Wyoming	GTCS
Cash provided by (used for):		
Operating activities	\$ (1.2)	\$ (2.2)
Noncapital financing activities	1.2	2.2
Capital and related financing activities	-	-
Investing activities	-	-
Net change	-	-
Beginning cash and equivalents	-	-
Ending cash and equivalents	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed financial information for each of these entities as of March 31, 2019 is as follows:

Condensed statement of net position (in millions) As of March 31, 2019

	RGRTA	RTS	Access
Assets:			
Current	\$ 49.8	\$ 5.5	\$ 0.3
Capital	-	126.2	3.3
Other	<u>67.3</u>	<u>-</u>	<u>0.4</u>
Total assets	117.1	131.7	4.0
Deferred outflows of resources	<u>0.8</u>	<u>4.1</u>	<u>0.8</u>
Total assets and deferred outflows of resources	<u>117.9</u>	<u>135.8</u>	<u>4.8</u>
Liabilities:			
Current	3.6	17.3	1.4
Long-term	<u>1.8</u>	<u>120.9</u>	<u>0.4</u>
Total liabilities	5.4	138.2	1.8
Deferred inflows of resources	<u>0.6</u>	<u>4.8</u>	<u>0.8</u>
Total liabilities and deferred inflows of resources	6.0	143.0	2.6
Net Position:			
Net investment in capital assets	-	126.2	3.3
Unrestricted	<u>111.9</u>	<u>(133.4)</u>	<u>(1.1)</u>
Total net position	<u>\$ 111.9</u>	<u>\$ (7.2)</u>	<u>\$ 2.2</u>
	Genesee	Livingston	Ontario
Assets:			
Current	\$ 0.1	\$ 0.1	\$ 0.1
Capital	0.5	2.7	2.2
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>0.6</u>	<u>2.8</u>	<u>2.3</u>
Liabilities:			
Current	0.4	0.2	0.4
Long-term	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>0.4</u>	<u>0.2</u>	<u>0.4</u>
Net Position:			
Net investment in capital assets	0.5	2.7	2.2
Unrestricted	<u>(0.3)</u>	<u>(0.1)</u>	<u>(0.3)</u>
Total net position	<u>\$ 0.2</u>	<u>\$ 2.6</u>	<u>\$ 1.9</u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed statement of net position (in millions)
As of March 31, 2019

	Orleans	Seneca	Wayne
Assets:			
Current	\$ -	\$ -	\$ 0.7
Capital	3.8	0.5	1.8
Other	-	-	-
Total assets	<u><u>3.8</u></u>	<u><u>0.5</u></u>	<u><u>2.5</u></u>
Liabilities:			
Current	0.1	0.1	0.4
Long-term	-	-	-
Total liabilities	<u><u>0.1</u></u>	<u><u>0.1</u></u>	<u><u>0.4</u></u>
Net Position:			
Net investment in capital assets	3.8	0.5	1.8
Unrestricted	(0.1)	(0.1)	0.3
Total net position	<u><u>\$ 3.7</u></u>	<u><u>\$ 0.4</u></u>	<u><u>\$ 2.1</u></u>

	Wyoming	GTCS
Assets:		
Current	\$ -	\$ 2.9
Capital	0.7	-
Other	-	-
Total assets	<u><u>0.7</u></u>	<u><u>2.9</u></u>
Deferred outflows of resources	<u>-</u>	<u>0.2</u>
Total assets and deferred outflows of resources	<u><u>0.7</u></u>	<u><u>3.1</u></u>
Liabilities:		
Current	0.2	3.0
Long-term	-	0.1
Total liabilities	<u><u>0.2</u></u>	<u><u>3.1</u></u>
Deferred inflows of resources	<u>-</u>	<u>0.2</u>
Total liabilities and deferred inflows of resources	<u>0.2</u>	<u>3.3</u>
Net Position:		
Net investment in capital assets	0.7	-
Unrestricted	(0.2)	(0.2)
Total net position	<u><u>\$ 0.5</u></u>	<u><u>\$ (0.2)</u></u>

13. **CONDENSED FINANCIAL INFORMATION (Continued)**

Condensed statement of revenues, expenses and changes in net position (in millions)
For the year ended March 31, 2019

	RGRTA	RTS	Access
Operating revenues	\$ 1.7	\$ 25.4	\$ 0.4
Operating expenses	3.2	80.4	8.6
Depreciation	<u>-</u>	<u>15.1</u>	<u>1.0</u>
Operating income (loss)	<u>(1.5)</u>	<u>(70.1)</u>	<u>(9.2)</u>
Non-operating revenues (expenses)	8.2	44.5	7.8
Capital contributions	<u>-</u>	<u>10.2</u>	<u>0.9</u>
Change in net position	6.7	(15.4)	(0.5)
Beginning net position	<u>105.2</u>	<u>8.2</u>	<u>2.7</u>
Ending net position	<u>\$ 111.9</u>	<u>\$ (7.2)</u>	<u>\$ 2.2</u>

	Genesee	Livingston	Ontario
Operating revenues	\$ 0.4	\$ 0.7	\$ 0.4
Operating expenses	1.1	1.7	2.3
Depreciation	<u>0.1</u>	<u>0.4</u>	<u>0.6</u>
Operating income (loss)	<u>(0.8)</u>	<u>(1.4)</u>	<u>(2.5)</u>
Nonoperating revenues (expenses)	0.6	0.9	2.4
Capital contributions	<u>-</u>	<u>0.2</u>	<u>-</u>
Change in net position	(0.2)	(0.3)	(0.1)
Beginning net position	<u>0.4</u>	<u>2.9</u>	<u>2.0</u>
Ending net position	<u>\$ 0.2</u>	<u>\$ 2.6</u>	<u>\$ 1.9</u>

13. **CONDENSED FINANCIAL INFORMATION (Continued)**

Condensed statement of revenues, expenses and changes in net position (in millions)
For the year ended March 31, 2019

	Orleans	Seneca	Wayne
Operating revenues	\$ 0.0	\$ 0.1	\$ 2.1
Operating expenses	0.7	1.0	2.6
Depreciation	<u>0.2</u>	<u>0.2</u>	<u>0.5</u>
Operating income (loss)	<u>(0.9)</u>	<u>(1.1)</u>	<u>(1.0)</u>
Nonoperating revenues			
(expenses)	0.7	0.9	0.6
Capital contributions	<u>1.9</u>	<u>-</u>	<u>-</u>
Change in net position	1.7	(0.2)	(0.4)
Beginning net position	<u>2.0</u>	<u>0.6</u>	<u>2.5</u>
Ending net position	<u>\$ 3.7</u>	<u>\$ 0.4</u>	<u>\$ 2.1</u>

	Wyoming	GTCS
Operating revenues	\$ 0.1	\$ -
Operating expenses	1.2	1.8
Depreciation	<u>0.1</u>	<u>-</u>
Operating income (loss)	<u>(1.2)</u>	<u>(1.8)</u>
Nonoperating revenues		
(expenses)	1.0	1.6
Capital contributions	<u>-</u>	<u>-</u>
Change in net position	(0.2)	(0.2)
Beginning net position	<u>0.7</u>	<u>-</u>
Ending net position	<u>\$ 0.5</u>	<u>\$ (0.2)</u>

13. CONDENSED FINANCIAL INFORMATION (Continued)

Condensed statement of cash flows (in millions)
For the year ended March 31, 2019

	RGRTA	RTS	Access
Cash provided by (used for):			
Operating activities	\$ (6.9)	\$ (41.7)	\$ (7.5)
Noncapital financing activities	8.5	44.5	7.8
Capital and related financing activities	1.7	(2.8)	(0.3)
Investing activities	(1.0)	-	-
Net change	2.3	-	-
Beginning cash and equivalents	16.2	0.1	-
Ending cash and equivalents	\$ 18.5	\$ 0.1	\$ -
	Genesee	Livingston	Ontario
Cash provided by (used for):			
Operating activities	\$ (0.7)	\$ (0.7)	\$ (2.4)
Noncapital financing activities	0.7	0.9	2.4
Capital and related financing activities	-	(0.2)	-
Investing activities	-	-	-
Net change	-	-	-
Beginning cash and equivalents	-	-	-
Ending cash and equivalents	\$ -	\$ -	\$ -
	Orleans	Seneca	Wayne
Cash provided by (used for):			
Operating activities	\$ (0.5)	\$ (0.9)	\$ (0.7)
Noncapital financing activities	0.7	0.9	0.7
Capital and related financing activities	(0.2)	-	-
Investing activities	-	-	-
Net change	-	-	-
Beginning cash and equivalents	-	-	-
Ending cash and equivalents	\$ -	\$ -	\$ -

13. **CONDENSED FINANCIAL INFORMATION (Continued)**

Condensed statement of cash flows (in millions)
For the year ended March 31, 2019

	Wyoming	GTCS
Cash provided by (used for):		
Operating activities	\$ (1.2)	\$ (1.6)
Noncapital financing activities	1.2	1.7
Capital and related financing activities	-	-
Investing activities	-	-
Net change	<u>-</u>	<u>0.1</u>
Beginning cash and equivalents	<u>-</u>	<u>-</u>
Ending cash and equivalents	<u><u>\$ -</u></u>	<u><u>\$ 0.1</u></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

June 25, 2020

To the Commissioners of the
Rochester-Genesee Regional Transportation Authority:

We have audited, in accordance with the 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 Rochester-Genesee Regional Transportation Authority (the Authority), as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 25, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. 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 entity'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 may exist that have not been identified.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

(Continued)

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPEB Liability - Beginning of Year	\$ 114,878	\$ 108,347	\$ 102,674							
Changes for the Year				Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.						
Service Cost	6,540	4,940	4,791							
Interest	3,179	4,165	3,915							
Assumption Changes	32,255	-	(556)							
Difference Between Actual and Expected	(5,290)	-	-							
Experience	-	-	-							
Change in Actuarial Cost Method	(3,514)	(2,574)	(2,477)							
Benefit Payments										
OPEB Liability - End of Year	\$ 148,048	\$ 114,878	\$ 108,347							
Covered Payroll	\$ 28,340	\$ 29,472	\$ 28,894							
Total OPEB Liability as % of Covered Payroll	19.1%	25.7%	26.7%							

Notes to schedule:

Changes in assumptions.

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following reflects the discount rate used each period:

Discount Rate	2.27%	3.89%	3.86%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Plan assets.

No assets are accumulated in a trust that meets all of the criteria of GASB No. 75, paragraph 4, to pay benefits.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>NYSLERS - RGRTA:</u>										
Proportion of the net pension liability	0.0060155%	0.0062336%	0.0058151%	0.0051048%	0.0050097%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Proportionate share of the net pension liability	\$ 426	\$ 201	\$ 546	\$ 819	\$ 169					
Covered-employee payroll	\$ 1,460	\$ 1,662	\$ 1,583	\$ 1,583	\$ 1,502					
Proportionate share of the net pension liability as a percentage of its covered payroll	29.2%	12.1%	34.5%	51.7%	11.3%					
Plan fiduciary net position as a percentage of total pension liability	98.2%	98.2%	94.7%	90.7%	97.9%					
<u>NYSLERS - GTC:</u>										
Proportion of the net pension liability	0.0024003%	0.0021866%	0.0025293%	0.0026778%	0.0027777%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Proportionate share of the net pension liability	\$ 170	\$ 71	\$ 238	\$ 430	\$ 94					
Covered-employee payroll	\$ 539	\$ 538	\$ 484	\$ 417	\$ 460					
Proportionate share of the net pension liability as a percentage of its covered payroll	31.5%	13.2%	49.2%	103.1%	20.4%					
Plan fiduciary net position as a percentage of total pension liability	-1.8%	98.2%	94.7%	90.7%	97.9%					

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CONTRIBUTIONS FOR ALL PENSION PLANS FOR THE YEAR ENDED MARCH 31,

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<u>RTS Union:</u>										
Actuarially Determined Contribution	\$ 607	\$ 592	\$ 527	\$ 467	\$ 399	\$ 1,398	\$ 1,573	\$ 1,112	\$ 950	\$ 992
Actual Employer Contribution	643	596	527	467	557	1,398	1,573	1,112	950	992
Contribution Deficiency (Excess)	<u>\$ (36)</u>	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (158)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 28,624	\$ 26,260	\$ 25,531	\$ 26,871	\$ 22,786	\$ 23,800	\$ 22,300	\$ 22,400	\$ 20,000	\$ 18,900
Contributions as a % of Covered Payroll	2.2%	2.3%	2.1%	1.7%	2.4%	5.9%	7.1%	5.0%	4.8%	5.2%
<u>RTS Non-Union:</u>										
Actuarially Determined Contribution	\$ 1,028	\$ 1,070	\$ 936	\$ 830	\$ 508	\$ 391	\$ 240	\$ 286	\$ -	\$ -
Actual Employer Contribution	1,028	1,070	936	1,338	-	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (508)</u>	<u>\$ 508</u>	<u>\$ 391</u>	<u>\$ 240</u>	<u>\$ 286</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,847	\$ 7,532	\$ 7,149	\$ 6,100	\$ 6,159	\$ 5,100	\$ 4,200	\$ 4,100	\$ 3,900	\$ 3,800
Contributions as a % of Covered Payroll	13.1%	14.2%	13.1%	21.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Lift Line Union:</u>										
Actuarially Determined Contribution	\$ 88	\$ 82	\$ 52	\$ 58	\$ -	\$ -	\$ 73	\$ 73	\$ 82	\$ 78
Actual Employer Contribution	98	113	95	82	72	69	73	73	82	78
Contribution Deficiency (Excess)	<u>\$ (10)</u>	<u>\$ (31)</u>	<u>\$ (43)</u>	<u>\$ (24)</u>	<u>\$ (72)</u>	<u>\$ (69)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,933	\$ 2,747	\$ 2,480	\$ 2,295	\$ 2,296	\$ 2,402	\$ 2,373	\$ 2,312	\$ 2,552	\$ 1,869
Contributions as a % of Covered Payroll	3.3%	4.1%	3.8%	3.6%	3.1%	2.9%	3.1%	3.2%	3.2%	4.2%
<u>Lift Line and Regional Entities Non-Union:</u>										
Actuarially Determined Contribution	\$ 149	\$ 152	\$ 135	\$ 141	\$ 128	\$ 141	\$ 154	\$ 130	\$ 69	\$ 67
Actual Employer Contribution	149	152	135	141	128	141	154	130	69	67
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,487	\$ 2,513	\$ 2,287	\$ 2,218	\$ 2,080	\$ 2,333	\$ 2,411	\$ 2,546	\$ 2,270	\$ 1,904
Contributions as a % of Covered Payroll	6.0%	6.0%	5.9%	6.4%	6.2%	6.0%	6.4%	5.1%	3.0%	3.5%
<u>NYSLERS - RGRTA:</u>										
Actuarially Determined Contribution	\$ 260	\$ 254	\$ 270	\$ 236	\$ 232	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Actual Employer Contribution	260	254	270	236	232					
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
Covered Payroll	\$ 1,459	\$ 1,662	\$ 1,621	\$ 1,583	\$ 1,502					
Contributions as a % of Covered Payroll	17.8%	15.3%	16.7%	14.9%	15.4%					
<u>NYSLERS - GTC:</u>										
Actuarially Determined Contribution	\$ 76	\$ 66	\$ 63	\$ 73	\$ 85	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.				
Actual Employer Contribution	76	66	63	73	85					
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
Covered Payroll	\$ 539	\$ 538	\$ 484	\$ 417	\$ 460					
Contributions as a % of Covered Payroll	14.1%	12.3%	13.0%	17.5%	18.5%					

Combining Financial Information

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

COMBINING SCHEDULE OF NET POSITION
MARCH 31, 2020

	RGRTA	RTS	Access	Genesee	Livingston	Ontario	Orleans	Seneca	Wayne	Wyoming	GTCS	Eliminations	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES													
CURRENT ASSETS:													
Cash and equivalents	\$ 12,798,232	\$ 8,057	\$ 445	\$ 301	\$ 742	\$ 3,668	\$ 715	\$ 320	\$ 1,156	\$ 1,298	\$ 72,312	\$ -	\$ 12,887,246
Current portion of investments	16,416,692	-	-	-	-	-	-	-	-	-	-	-	16,416,692
Receivables:													
Trade, net	4,094,512	2,484,733	1,613	44,862	41,701	17,473	2,372	6,868	432,520	4,936	659,855	-	7,791,445
Mortgage tax	1,392,801	-	-	-	-	-	-	-	-	-	-	-	1,392,801
Capital grants	9,136,027	-	-	-	-	-	-	-	-	-	-	-	9,136,027
Operating assistance	6,165,002	2,007,255	377,304	-	-	-	-	-	-	-	-	-	8,549,561
Interest	112,281	-	-	-	-	-	-	-	-	-	-	-	112,281
Materials and supplies inventory, net	-	245,089	196,357	-	-	75,412	-	-	-	-	-	-	516,858
Prepaid expenses and other current assets	-	780,064	51,261	1,401	2,786	27,797	700	1,051	4,904	1,868	-	-	871,832
Inter-entity receivable	3,150,431	1,692,971	55	-	-	-	-	-	-	-	4,289,660	(9,133,117)	-
Total current assets	53,265,978	7,218,169	627,035	46,564	45,229	124,350	3,787	8,239	438,580	8,102	5,021,827	(9,133,117)	57,674,743
NONCURRENT ASSETS:													
Capital assets, net	-	127,140,669	2,784,398	462,998	2,418,820	1,567,431	3,595,941	349,367	1,368,240	651,804	-	-	140,339,668
Investments, net of current portion	14,552,314	-	-	-	-	-	-	-	-	-	-	-	14,552,314
Net pension asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments in consolidated component unit entities	56,110,835	-	-	-	-	-	-	-	-	-	-	(56,110,835)	-
Total noncurrent assets	70,663,149	127,140,669	2,784,398	462,998	2,418,820	1,567,431	3,595,941	349,367	1,368,240	651,804	-	(56,110,835)	154,891,982
TOTAL ASSETS	123,929,127	134,358,838	3,411,433	509,562	2,464,049	1,691,781	3,599,728	357,606	1,806,820	659,906	5,021,827	(65,243,952)	212,566,725
DEFERRED OUTFLOWS OF RESOURCES:													
Deferred outflows related to other postemployment benefits	358,182	25,978,709	-	-	-	-	-	-	-	-	-	-	26,336,891
Deferred outflows related to pensions	511,648	7,226,499	1,100,695	-	-	-	-	-	-	-	161,732	-	9,000,574
TOTAL DEFERRED OUTFLOWS OF RESOURCES	869,830	33,205,208	1,100,695	-	-	-	-	-	-	-	161,732	-	35,337,465
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 124,798,957	\$ 167,564,046	\$ 4,512,128	\$ 509,562	\$ 2,464,049	\$ 1,691,781	\$ 3,599,728	\$ 357,606	\$ 1,806,820	\$ 659,906	\$ 5,183,559	\$ (65,243,952)	\$ 247,904,190
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION													
CURRENT LIABILITIES:													
Accounts payable	\$ 3,451,316	\$ 4,875,229	\$ 169,813	\$ 90,659	\$ 33,768	\$ 159,339	\$ 44,693	\$ 25,006	\$ 76,101	\$ 42,798	\$ 35,943	\$ -	\$ 9,004,665
Accrued wages, vacation, pension and payroll taxes	386,646	4,162,061	407,502	42,081	175,885	203,870	63,395	64,758	263,441	117,401	104,650	-	5,991,690
Current portion of soil remediation liability	-	284,759	-	-	-	-	-	-	-	-	-	-	284,759
Reserve for litigated and unlitigated claims	-	2,106,164	525,872	44,148	-	57,120	-	9,244	500	-	-	-	2,743,048
Workers' compensation reserve	4,541	6,218,461	719,266	239,260	35,075	47,054	6,487	-	16,866	58,340	24,650	-	7,370,000
Inter-entity payable	4,238,364	51,295	-	-	-	-	-	-	-	-	4,843,458	(9,133,117)	-
Total current liabilities	8,080,867	17,697,969	1,822,453	416,148	244,728	467,383	114,575	99,008	356,908	218,539	5,008,701	(9,133,117)	25,394,162
LONG-TERM LIABILITIES:													
Net pension liability	426,219	15,239,117	535,959	-	-	-	-	-	-	-	170,069	-	16,371,364
Other postemployment benefits	2,013,471	146,035,991	-	-	-	-	-	-	-	-	-	-	148,049,462
Soil remediation liability, net of current portion	-	641,445	-	-	-	-	-	-	-	-	-	-	641,445
Total long-term liabilities	2,439,690	161,916,553	535,959	-	-	-	-	-	-	-	170,069	-	165,062,271
TOTAL LIABILITIES	10,520,557	179,614,522	2,358,412	416,148	244,728	467,383	114,575	99,008	356,908	218,539	5,178,770	(9,133,117)	190,456,433
DEFERRED INFLOWS OF RESOURCES:													
Deferred revenue	-	17,493	-	-	-	-	-	-	-	-	14,664	-	32,157
Deferred inflows related to other postemployment benefits	62,699	4,547,527	-	-	-	-	-	-	-	-	-	-	4,610,226
Deferred inflows related to pensions	147,515	3,545,535	742,756	-	-	-	-	-	-	-	122,531	-	4,558,337
TOTAL DEFERRED INFLOWS OF RESOURCES	210,214	8,110,555	742,756	-	-	-	-	-	-	-	137,195	-	9,200,720
NET POSITION:													
Net investment in capital assets	-	127,140,669	2,784,398	462,998	2,418,820	1,567,431	3,595,941	349,367	1,368,240	651,804	-	-	140,339,668
Unrestricted	114,068,186	(147,301,700)	(1,373,438)	(369,584)	(199,499)	(343,033)	(110,788)	(90,769)	81,672	(210,437)	(132,406)	(56,110,835)	(92,092,631)
Total net position	114,068,186	(20,161,031)	1,410,960	93,414	2,219,321	1,224,398	3,485,153	258,598	1,449,912	441,367	(132,406)	(56,110,835)	48,247,037
TOTAL LIABILITIES AND NET POSITION	\$ 124,798,957	\$ 167,564,046	\$ 4,512,128	\$ 509,562	\$ 2,464,049	\$ 1,691,781	\$ 3,599,728	\$ 357,606	\$ 1,806,820	\$ 659,906	\$ 5,183,559	\$ (65,243,952)	\$ 247,904,190

The accompanying notes to the financial statements are an integral part of these statements.

ROCHESTER-GENESEE REGIONAL TRANSPORTATION AUTHORITY
(A Discretely Presented Component Unit of the State of New York)

COMBINING SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED MARCH 31, 2020

	RGRTA	RTS	Access	Genesee	Livingston	Ontario	Orleans	Seneca	Wayne	Wyoming	GTCS	Eliminations	Total
OPERATING REVENUE:													
Customer fares	\$ -	\$ 8,154,269	\$ 384,121	\$ 17,171	\$ 25,972	\$ 165,717	\$ 35,375	\$ 57,755	\$ 38,744	\$ 24,633	\$ -	\$ -	\$ 8,903,757
Special transit fares	-	13,272,968	-	241,343	552,493	79,297	925	50,898	2,039,127	51,931	-	-	16,288,982
Reimbursement and recovery	250	804,183	8,706	114	273	1,360	50	126	253	149	133	-	815,597
Other	1,709,629	2,921,589	512	37,422	38,856	112,002	70	4,378	8,803	1,364	74,276	(3,754,081)	1,154,820
Total operating revenue	1,709,879	25,153,009	393,339	296,050	617,594	358,376	36,420	113,157	2,086,927	78,077	74,409	(3,754,081)	27,163,156
OPERATING EXPENSES AND DEPRECIATION:													
Operating expenses -													
Salaries and wages	1,489,229	38,904,151	5,203,921	423,748	754,278	1,292,322	292,579	351,024	1,498,309	567,318	578,311	-	51,355,190
Employee benefits	735,181	33,385,100	1,735,645	226,072	634,439	276,567	49,138	123,924	387,300	154,344	186,409	-	37,894,119
Inter-entity cost allocations	390,422	1,268,504	549,642	202,767	204,862	200,183	235,917	237,595	202,767	237,780	23,642	(3,754,081)	-
Materials and supplies	39	8,077,369	838,123	55,474	168,763	345,048	58,442	77,165	342,934	132,100	4,029	-	10,099,486
Services	31,143	6,271,139	335,691	51,619	164,697	101,538	32,876	84,144	152,982	150,077	1,321,098	-	8,697,004
Utilities	-	787,338	60,332	2,537	16,950	35,525	15,403	2,910	3,624	7,339	6,226	-	938,184
Litigated and unlitigated claims	3,372	887,658	515,419	24,755	32,956	104,563	13,952	15,484	66,516	25,211	-	-	1,689,886
Other	204,074	1,662,091	58,172	40,948	32,188	121,533	17,216	22,696	23,394	39,322	32,466	-	2,254,100
Total operating expenses	2,853,460	91,243,350	9,296,945	1,027,920	2,009,133	2,477,279	715,523	914,942	2,677,826	1,313,491	2,152,181	(3,754,081)	112,927,969
Depreciation -													
Locally funded	-	1,485,222	87,084	13,003	36,031	65,919	23,660	17,564	49,990	9,932	-	-	1,788,405
Grant funded	-	12,686,865	790,544	106,484	315,687	566,945	202,405	132,119	434,408	78,852	1,170	-	15,315,479
Total depreciation	-	14,172,087	877,628	119,487	351,718	632,864	226,065	149,683	484,398	88,784	1,170	-	17,103,884
Total operating expenses and depreciation	2,853,460	105,415,437	10,174,573	1,147,407	2,360,851	3,110,143	941,588	1,064,625	3,162,224	1,402,275	2,153,351	(3,754,081)	130,031,853
LOSS FROM OPERATIONS	(1,143,581)	(80,262,428)	(9,781,234)	(851,357)	(1,743,257)	(2,751,767)	(905,168)	(951,468)	(1,075,297)	(1,324,198)	(2,078,942)	-	(102,868,697)
NONOPERATING INCOME (EXPENSE):													
External operating assistance subsidies -													
Federal	160,702	6,647,477	660,440	125,500	145,000	377,000	85,000	80,000	242,710	130,000	2,103,165	-	10,756,994
State	-	43,721,162	1,973,224	53,169	35,186	183,500	30,103	25,021	38,313	19,938	-	-	46,079,616
Local governments	-	3,524,414	-	53,169	35,185	183,356	30,103	25,021	38,313	19,938	-	-	3,909,499
Investment income, net	1,349,942	-	-	-	-	-	-	-	-	-	-	-	1,349,942
Mortgage recording tax	11,391,114	-	-	-	-	-	-	-	-	-	-	-	11,391,114
Subrecipient grant revenue	235,583	-	-	-	-	-	-	-	-	-	-	-	235,583
Subrecipient grant expense	(235,583)	-	-	-	-	-	-	-	-	-	-	-	(235,583)
Change in soil remediation liability	-	733	-	-	-	-	-	-	-	-	-	-	733
Gain on disposal of capital assets, net	-	13,033	-	-	-	-	-	-	-	-	-	-	13,033
Authority subsidies	(10,428,762)	(1,636,071)	6,254,744	513,035	1,212,199	1,440,966	557,556	689,307	321,555	1,075,471	-	-	-
Write-off of inter-entity accounts	840,972	(42,106)	(207,348)	(35,705)	(112,913)	(104,930)	(25,220)	(15,731)	(291,502)	(5,517)	-	-	-
Total nonoperating income	3,313,968	52,228,642	8,681,060	709,168	1,314,657	2,079,892	677,542	803,618	349,389	1,239,830	2,103,165	-	73,500,931
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	2,170,387	(28,033,786)	(1,100,174)	(142,189)	(428,600)	(671,875)	(227,626)	(147,850)	(725,908)	(84,368)	24,223	-	(29,367,766)
CAPITAL CONTRIBUTIONS:													
Federal	-	4,985,084	5,975	-	16,969	-	35,077	800	23,091	-	-	-	5,066,996
State	-	7,516,185	305,744	-	2,121	-	4,385	100	2,887	-	-	-	7,831,422
Authority	-	2,595,406	9,996	-	8,236	-	4,385	100	14,822	-	-	(2,632,945)	-
Total capital contributions	-	15,096,675	321,715	-	27,326	-	43,847	1,000	40,800	-	-	(2,632,945)	12,898,418
CHANGE IN NET POSITION	2,170,387	(12,937,111)	(778,459)	(142,189)	(401,274)	(671,875)	(183,779)	(146,850)	(685,108)	(84,368)	24,223	(2,632,945)	(16,469,348)
NET POSITION - beginning of year	111,897,799	(7,223,920)	2,189,419	235,603	2,620,595	1,896,273	3,668,932	405,448	2,135,020	525,735	(156,629)	(53,477,890)	64,716,385
NET POSITION - end of year	\$ 114,068,186	\$ (20,161,031)	\$ 1,410,960	\$ 93,414	\$ 2,219,321	\$ 1,224,398	\$ 3,485,153	\$ 258,598	\$ 1,449,912	\$ 441,367	\$ (132,406)	\$ (56,110,835)	\$ 48,247,037

The accompanying notes are an integral part of these statements.

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