



A Discretely Presented  
Component Unit of the  
State of New York

# FINANCIAL STATEMENTS

For the Years Ended March 31, 2019 and 2018



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

**Financial Statements as of  
March 31, 2019 and 2018  
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 18, 2019

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 component unit of the State of New York) as of and for the years ended March 31, 2019 and 2018, 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, 2019 and 2018, 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)

### **Emphasis of Matter – Change in Accounting Principle**

As described in Notes 2 and 6 to the financial statements, the Authority adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions – an amendment of GASB 45*. As a result, a net adjustment was made to decrease net position and increase other postemployment benefits liability by \$51,755,550 at April 1, 2017. Our opinions are not modified with respect to this matter.

### **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 18, 2019, 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 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, 2019 AND 2018**

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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, 2019 and 2018. 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, 2019 and 2018. 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, 2019 and 2018. 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, 2019 and 2018.

### **FINANCIAL HIGHLIGHTS**

- As more fully described below, the Authority experienced a decrease in net position of approximately \$9.9 million in fiscal 2019, compared with a decrease of \$8.1 million in fiscal 2018. The decrease in net position for both fiscal years was impacted by fluctuations in several areas, including our actuarially determined liabilities for other postemployment benefits (OPEB), pension costs and workers' compensation claims, along with movements in our reserve for litigated and unlitigated claims.
- The Authority's single most significant asset classification is capital assets. The Authority reported capital assets, net of depreciation, totaling approximately \$141.9 million, \$147.0 million and \$149.2 million for fiscal 2019, fiscal 2018 and fiscal 2017, 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's single most significant liability classification is OPEB. The Authority adopted GASB No. 75 on April 1, 2017 and accordingly, the Authority's net OPEB obligation was \$114.9 million, \$108.3 million and \$102.6 million (restated) for fiscal years 2019, 2018 and 2017, respectively.
- The Authority's experienced decreases in its unrestricted net position during both fiscal 2019 and fiscal 2018. The Authority's unrestricted net position was \$(77.2) million and \$(72.4) million for fiscal years 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2017</u>
<b>Assets:</b>			
Current and other	\$ 69.2	\$ 69.4	\$ 63.7
Capital, net of accumulated depreciation	<u>141.9</u>	<u>147.0</u>	<u>149.2</u>
<b>Total assets</b>	<b><u>211.1</u></b>	<b><u>216.4</u></b>	<b><u>212.9</u></b>
Deferred outflows	<u>5.9</u>	<u>7.6</u>	<u>9.7</u>
<b>Liabilities:</b>			
Current	22.5	23.9	19.8
Long-term	<u>123.1</u>	<u>115.9</u>	<u>60.1</u>
<b>Total liabilities</b>	<b>145.6</b>	<b>139.8</b>	<b>79.9</b>
Deferred inflows	<u>6.6</u>	<u>9.6</u>	<u>8.3</u>
<b>Net Position:</b>			
Net investment in capital assets	141.9	147.0	149.2
Unrestricted	<u>(77.2)</u>	<u>(72.4)</u>	<u>(14.7)</u>
<b>Total net position</b>	<b><u>\$ 64.7</u></b>	<b><u>\$ 74.6</u></b>	<b><u>\$ 134.4</u></b>

Total assets at March 31, 2019 measured \$211.1 million, a decrease of \$5.3 million from \$216.4 million in total assets at March 31, 2018, an increase of \$3.5 million from 2017. These fluctuations in total assets 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 additions attributable to infrastructure improvement projects at several of our operations.

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

Broken down by category:

- Current and other assets totaled \$69.1 million in fiscal 2019, decreasing by \$0.3 million from \$69.4 million in fiscal 2018, and increasing by \$5.7 million from \$63.7 million in fiscal 2017. Both fluctuations were driven mainly by movements in receivables as a result of timing.
- Capital assets, net of accumulated depreciation, finished fiscal 2019 at \$141.9 million, a decrease of \$5.1 million from \$147.0 million for fiscal 2018, which showed a decrease of \$2.2 million compared with \$149.2 million for fiscal 2017.

Total liabilities, both current and long-term, were \$145.6 million, \$139.8 million and \$79.9 million as of March 31, 2019, 2018 and 2017, respectively. When broken down between current and long-term:

- Current liabilities totaled \$22.5 million for fiscal 2019, down \$1.4 million from fiscal 2018 as a result decreases to 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. Current liabilities totaled \$23.9 million for fiscal 2018, up \$4.1 million from fiscal 2017 as a result of increases to accounts payable as a result of timing, the actuarially determined reserve for workers' compensation claims, and the reserve for litigated and unlitigated claims as a result of the mix of legal cases outstanding at the end of fiscal 2018.
- Long-term liabilities increased by \$7.1 million and \$55.8 million for fiscal 2019 and 2018, respectively, compared with the same prior year periods. The increases from fiscal 2019 and fiscal 2018 were mainly driven by increases in the Authority's actuarially determined liabilities for other postemployment benefits and its pension plans. The increases from fiscal 2018 and fiscal 2017 were mainly driven by increases in other postemployment benefits, which were partially offset by decreases in the Authority's net pension liability.

The overall net position of the Authority decreased by \$9.9 million and \$8.1 million for fiscal years 2019 and 2018, respectively, when compared with the same prior year periods. These decreases were mainly driven 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>2019</u>	<u>2018</u>	<u>2017</u>
<b>Operating revenue:</b>			
Customer fares	\$ 9.7	\$ 10.5	\$ 10.9
Special fares	15.9	15.5	16.0
Other	1.8	1.5	1.6
<b>Total operating revenue</b>	<u>27.4</u>	<u>27.5</u>	<u>28.5</u>
<b>Operating expenses:</b>			
Salaries and benefits	78.2	77.1	79.0
Non-personnel	22.6	22.5	19.8
<b>Total operating expenses</b>	<u>100.8</u>	<u>99.6</u>	<u>98.8</u>
<b>Depreciation</b>	<u>18.3</u>	<u>17.6</u>	<u>17.7</u>
<b>Loss from operations</b>	<u>(91.7)</u>	<u>(89.7)</u>	<u>(88.0)</u>
<b>Nonoperating income (expenses):</b>			
External operating assistance	58.4	57.7	53.1
Investment income	0.8	0.2	0.1
Mortgage recording tax	10.7	9.5	9.8
Other	0.0	0.3	0.1
<b>Total nonoperating income</b>	<u>69.8</u>	<u>67.7</u>	<u>63.1</u>
<b>Capital contributions</b>	<u>12.0</u>	<u>13.9</u>	<u>16.5</u>
<b>Change in net position</b>	<u>(9.9)</u>	<u>(8.1)</u>	<u>(8.4)</u>
Net position, beginning of year	74.6	134.4	142.8
<b>Restatement of beginning net position – GASB 75 adoption</b>	<u>-</u>	<u>(51.7)</u>	<u>-</u>
<b>Net position, end of year</b>	<u>\$ 64.7</u>	<u>\$ 74.6</u>	<u>\$ 134.4</u>

The Authority's operating revenue totaled \$27.4 million and \$27.5 million for fiscal 2019 and 2018, respectively, decreasing by \$0.1 million and \$1.0 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 fiscal 2019, compared with a decrease by \$0.4 million in fiscal 2018. The decreases in fiscal 2019 and fiscal 2018 were mainly impacted by declines in ridership of 2.3% and 5.4%, respectively, consistent with recent ridership trends across the public transportation industry. 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 fiscal 2019 and decreased by \$0.5 million in fiscal 2019 and fiscal 2018, respectively. Special fare revenue in both fiscal 2019 and 2018 was impacted by the mix of service offered to meet the needs of the Authority's two most significant customers.

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

- Other revenue in fiscal 2019 of \$1.8 million was up slightly when compared with \$1.5 million for fiscal 2018. 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 \$12.1 million received during fiscal 2019 was essentially flat with the \$12.2 million from fiscal 2018, which experienced a decrease of \$3.4 million, 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's fiscal 2019 saw a \$0.5 million increase in STOA from the \$40.7 million received during fiscal 2018; fiscal 2018 saw a \$1.1 million increase in STOA from the \$39.6 million received during fiscal 2017.

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 2019, 2018 and 2017.

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

- For fiscal 2019, the Authority experienced an increase of \$1.2 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, and
- For fiscal 2018, the Authority experienced a decrease of \$0.3 million in mortgage recording tax revenue as a result of decreases in this revenue source across nearly all counties in which the Authority operates.

**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. The capital contribution for fiscal 2019 decreased by \$1.9 million, compared with a \$2.7 million decrease in fiscal 2018, mainly as a result progress toward completion for ongoing infrastructure improvements across our RTS, Access and Regional operations.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Capital contribution for:</b>			
Land	\$ -	\$ -	\$ -
Building and structures	2.6	4.4	5.0
Vehicles	7.1	5.7	10.0
Maintenance equipment	-	-	-
Other equipment	1.3	0.4	0.4
Computer equipment	<u>2.2</u>	<u>3.4</u>	<u>1.2</u>
<b>Total capital contribution</b>	<b><u>\$ 13.2</u></b>	<b><u>\$ 13.9</u></b>	<b><u>\$ 16.6</u></b>

**Operating expenses**

The Authority's operating expenses (excluding depreciation) for fiscal 2019 were \$100.8 million, up \$1.2 million when compared with \$99.6 million for fiscal 2018, up \$0.8 million when compared with \$98.8 million for fiscal 2017. As described in more detail below, operating expenses were impacted by fluctuations in a number of areas during fiscal 2019, including, among others, claims for litigated and unlitigated matters, actuarially determined OPEB and pension expense, and expenses for non-personnel services.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Salaries and benefits:</b>			
Wages	\$ <u>49.2</u>	\$ <u>47.6</u>	\$ <u>47.4</u>
<b>Benefits:</b>			
FICA and Medicare	3.7	3.6	3.6
Health, dental and vision	17.6	18.2	17.0
Pension	3.3	3.3	6.5
Workers' compensation	3.3	3.7	3.8
Other	<u>1.1</u>	<u>0.7</u>	<u>0.7</u>
<b>Total benefits</b>	<b><u>29.0</u></b>	<b><u>29.5</u></b>	<b><u>31.6</u></b>
<b>Total salaries and benefits</b>	<b><u>\$ 78.2</u></b>	<b><u>\$ 77.1</u></b>	<b><u>\$ 79.0</u></b>

The Authority's wages for fiscal 2019 increased by \$1.6 million to \$49.2 million, compared with a \$0.2 million increase to \$47.6 million for fiscal 2018, both mainly as a result of a cost of living adjustment for employees.

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

The Authority's 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. Employee benefits costs decreased in fiscal 2018 by \$2.1 million from \$31.6 million in fiscal 2017, mainly as a result of a decrease in the actuarially determined net pension expense.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Non-personnel:</b>			
Materials and supplies	\$ 10.6	\$ 9.9	\$ 10.1
Services	7.6	7.9	6.7
Utilities	1.0	0.9	0.9
Litigated and unlitigated claims	1.6	2.1	0.7
Miscellaneous	1.8	1.7	1.4
<b>Total non-personnel</b>	<b>\$ 22.6</b>	<b>\$ 22.5</b>	<b>\$ 19.8</b>

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 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.

The Authority's non-personnel expense for fiscal 2018 increased by \$2.7 million from fiscal 2017, impacted by several factors, including:

- An increase of \$1.4 million in litigated and unlitigated claims, mainly as a result of the current year mix of claims, and
- An increase of \$1.2 million in services, mainly as a result of expenses incurred in connection with the proposed RTS system redesign and year-over-year timing differences at GTCS.

## FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE (Continued)

### CAPITAL ASSETS

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Capital assets, net:</b>			
Land and improvements	\$ 9.6	\$ 9.9	\$ 9.8
Construction in process	3.2	6.5	7.4
Building and structures	65.5	63.8	59.6
Revenue vehicles	49.9	52.9	56.7
Non-revenue vehicles	0.6	0.3	0.2
Maintenance	3.5	3.6	3.6
Other equipment	5.3	5.0	7.4
Leasehold improvements	1.0	1.1	1.2
Computer equipment	3.3	3.9	3.3
<b>Total capital assets, net</b>	<b>\$ 141.9</b>	<b>\$ 147.0</b>	<b>\$ 149.2</b>

### FACTORS IMPACTING THE AUTHORITY'S FUTURE

The Authority as a component of the comprehensive plan 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 continued 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. However, even with these challenges surrounding public transportation funding and the public's need for transportation, the Authority's current fiscal strength in the form of its available reserve funds allows the Authority to close these gaps through the fiscal year ending March 31, 2022. The Authority's Comprehensive Plan provides greater details on the future budgetary projections as well as the overall strategic plan and can be reviewed by contacting the Authority's Financial Management as noted below.

### 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](mailto:sadair@myrts.com).

# **Basic Financial Statements**

**For the years ended March 31, 2019 and 2018**

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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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
CURRENT ASSETS:		
Cash and equivalents	\$ 18,656,419	\$ 16,352,012
Current portion of investments	15,058,457	13,424,562
Receivables:		
Trade, net	8,314,807	9,901,670
Mortgage tax	736,549	649,964
Capital grants	4,969,533	6,614,623
Operating assistance	5,780,740	6,880,248
Interest	120,604	79,684
Materials and supplies inventory, net	480,347	445,454
Prepaid expenses and other current assets	<u>754,400</u>	<u>641,750</u>
Total current assets	<u>54,871,856</u>	<u>54,989,967</u>
NONCURRENT ASSETS:		
Capital assets, net	141,913,705	147,013,053
Investments, net of current portion	13,871,229	13,533,281
Net pension asset	369,944	930,291
Investments in consolidated component unit entities	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>156,154,878</u>	<u>161,476,625</u>
<b>TOTAL ASSETS</b>	<u><b>211,026,734</b></u>	<u><b>216,466,592</b></u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions	<u>5,933,187</u>	<u>7,597,322</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 216,959,921</b></u>	<u><b>\$ 224,063,914</b></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,378,684	\$ 8,174,229
Accrued wages, vacation, pension and payroll taxes	5,468,270	5,732,968
Current portion of soil remediation liability	285,279	314,050
Reserve for litigated and unlitigated claims	2,986,770	3,530,976
Workers' compensation reserve	<u>7,370,000</u>	<u>6,150,000</u>
Total current liabilities	<u>22,489,003</u>	<u>23,902,223</u>
LONG-TERM LIABILITIES:		
Net pension liability	7,583,215	6,954,639
Other postemployment benefits	114,878,155	108,346,893
Soil remediation liability, net of current portion	<u>643,521</u>	<u>614,750</u>
Total long-term liabilities	<u>123,104,891</u>	<u>115,916,282</u>
<b>TOTAL LIABILITIES</b>	<u><b>145,593,894</b></u>	<u><b>139,818,505</b></u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred revenue	117,546	485,171
Deferred inflows related to other postemployment benefits	467,470	555,839
Deferred inflows related to pensions	<u>6,064,626</u>	<u>8,578,047</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>6,649,642</b></u>	<u><b>9,619,057</b></u>
NET POSITION:		
Net investment in capital assets	141,913,705	147,013,053
Unrestricted	<u>(77,197,320)</u>	<u>(72,386,701)</u>
Total net position	<u>64,716,385</u>	<u>74,626,352</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><b>\$ 216,959,921</b></u>	<u><b>\$ 224,063,914</b></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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUE:</b>		
Customer fares	\$ 9,710,612	\$ 10,519,695
Special transit fares	15,939,879	15,484,593
Reimbursement and recovery	853,894	796,423
Other	<u>884,773</u>	<u>702,405</u>
Total operating revenue	<u>27,389,158</u>	<u>27,503,116</u>
<b>OPERATING EXPENSES AND DEPRECIATION:</b>		
Operating expenses -		
Salaries and wages	49,193,289	47,614,289
Employee benefits	28,999,069	29,467,666
Materials and supplies	10,557,716	9,911,244
Services	7,665,518	7,868,374
Utilities	1,027,786	879,967
Litigated and unlitigated claims	1,646,455	2,139,862
Other	<u>1,789,843</u>	<u>1,700,059</u>
Total operating expenses	<u>100,879,676</u>	<u>99,581,461</u>
Depreciation -		
Locally funded	1,912,368	1,868,834
Grant funded	<u>16,358,399</u>	<u>15,728,329</u>
Total depreciation	<u>18,270,767</u>	<u>17,597,163</u>
Total operating expenses and depreciation	<u>119,150,443</u>	<u>117,178,624</u>
LOSS FROM OPERATIONS	<u>(91,761,285)</u>	<u>(89,675,508)</u>
<b>NONOPERATING INCOME (EXPENSE):</b>		
External operating assistance subsidies -		
Federal	12,068,864	12,207,452
State	42,385,363	41,503,526
Local governments	3,909,499	3,909,500
Investment income, net	759,376	205,742
Mortgage recording tax	10,661,957	9,542,637
Subrecipient grant revenue	184,118	-
Subrecipient grant expense	(184,118)	-
Change in soil remediation liability	(900)	302,476
Gain on disposal of capital assets, net	<u>20,667</u>	<u>39,951</u>
Total nonoperating income	<u>69,804,826</u>	<u>67,711,284</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>(21,956,459)</u>	<u>(21,964,224)</u>
<b>CAPITAL CONTRIBUTIONS:</b>		
Federal	4,813,268	9,463,838
State	<u>7,233,224</u>	<u>4,443,699</u>
Total capital contributions	<u>12,046,492</u>	<u>13,907,537</u>
CHANGE IN NET POSITION	(9,909,967)	(8,056,687)
NET POSITION - beginning of year, as restated	<u>74,626,352</u>	<u>82,683,039</u>
NET POSITION - end of year	<u>\$ 64,716,385</u>	<u>\$ 74,626,352</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, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 26,869,729	\$ 21,472,443
Other operating receipts	1,738,667	1,498,828
Payments to vendors and suppliers for goods and services	(12,201,738)	(12,929,244)
Payments to employees for services	(78,205,788)	(75,491,187)
Payments for insurance and risk management	(970,661)	(639,178)
Other operating payments	<u>(1,789,843)</u>	<u>(1,700,059)</u>
Net cash flow used in operating activities	<u>(64,559,634)</u>	<u>(67,788,397)</u>
CASH FLOW FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:		
Mortgage tax receipts	10,575,372	9,718,988
Operating assistance receipts	<u>59,463,234</u>	<u>51,442,783</u>
Net cash flow provided by noncapital and related financing activities	<u>70,038,606</u>	<u>61,161,771</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital contributions	13,691,582	8,411,636
Purchases of capital assets	(15,684,240)	(13,258,668)
Payments for soil remediation	(900)	(18,035)
Proceeds from sales of capital assets	<u>20,667</u>	<u>39,951</u>
Net cash flow used in capital and related financing activities	<u>(1,972,891)</u>	<u>(4,825,116)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest earnings	202,045	33,183
Liquidation of short-term investments	(1,403,719)	(1,181,764)
Proceeds from maturities of long-term investments	<u>-</u>	<u>155,890</u>
Net cash flow used in investing activities	<u>(1,201,674)</u>	<u>(992,691)</u>
CHANGE IN CASH AND EQUIVALENTS	<u>2,304,407</u>	<u>(12,444,433)</u>
CASH AND EQUIVALENTS - beginning of year	<u>16,352,012</u>	<u>28,796,445</u>
CASH AND EQUIVALENTS - end of year	<u>\$ 18,656,419</u>	<u>\$ 16,352,012</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, 2019 AND 2018**

(Continued)

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOW FROM OPERATING ACTIVITIES:		
Loss from operations	\$ (91,761,285)	\$ (89,675,508)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation - locally funded	1,912,368	1,868,834
Depreciation - grant funded	16,358,399	15,728,329
Changes in:		
Trade receivable	1,586,863	(5,524,540)
Materials and supplies inventory	(34,893)	100,898
Prepaid expenses and other current assets	(112,650)	(8,286)
Accounts payable	665,563	241,889
Accrued wages, vacation, pension and payroll taxes	(264,698)	47,942
Reserve for litigated and unlitigated claims	(544,206)	560,684
Workers' compensation reserve	1,220,000	940,000
Net pension liability	251,268	710,212
Other postemployment benefits	6,531,262	6,228,454
Deferred revenue	(367,625)	992,695
Net cash flow from operating activities	<u>\$ (64,559,634)</u>	<u>\$ (67,788,397)</u>
NON-CASH INVESTING ACTIVITIES:		
Change in fair value of investments	\$ 331,487	\$ (181,092)

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, 2019 AND 2018**

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### **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 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)
- Ontario 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**

During the year ended March 31, 2019, the Authority adopted GASB statement No. 75, *Accounting and Reporting for Postemployment Benefits other than Pension* (GASB No. 75). GASB No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to certain postemployment benefits. For defined benefit OPEB, GASB No. 75 identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service.

The impact of adopting GASB No. 75 is the restatement of fiscal 2018 beginning net position and OPEB liability (see "Restatement of Net Position and OPEB liability" below). For further information regarding the Authority's OPEB plan, refer to Note 6, "Other Postemployment Benefits."

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 became effective for the fiscal year ended March 31, 2018, 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. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68 and amendments to certain provisions of Statements 67 and 68*
- GASB statement No. 74, *Financial Reporting for Postemployment Benefits other than Pension Plans*
- GASB statement No. 80, *Blending Requirements for Certain Component Units*
- GASB statement No. 81, *Irrevocable Split-Interest Agreements*
- GASB statement No. 82, *Pension Issues*

The following GASB Statements were issued recently, but not effective for the fiscal year ended March 31, 2019. We will be evaluating the potential impact of adopting these Statements in future years:

- GASB statement No. 83, *Certain Asset Retirement Obligations*, effective for reporting periods beginning after June 15, 2018.
- GASB statement No. 84, *Fiduciary Activities*, effective for reporting periods beginning after December 15, 2018.
- GASB statement No. 87, *Leases*, effective for reporting periods beginning after December 15, 2019.
- GASB statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for reporting periods beginning after June 15, 2018.
- GASB statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2019.
- GASB statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, effective for reporting periods beginning after December 15, 2019.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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, 2019 or 2018. 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 invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- 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 2018 financial statements to conform to the current year presentation.

### Restatement of Beginning Net Position and OPEB Liability

As a result of adopting GASB Statement No. 75 on April 1, 2017, the Authority's net position and OPEB Liability as of April 1, 2017 were restated as follows:

	Statement of Net Position			
	Other Postemployment Benefits	Deferred Outflows	Deferred Inflows	Net Position
Balance at April 1, 2017, as previously reported	\$ 50,918,728	\$ -	\$ -	\$ 134,438,589
Restatement of beginning balance – Adoption of GASB Statement No. 75				
Increase to liability	51,755,550	-	-	(51,755,550)
Balance at April 1, 2017, as restated	\$ 102,674,278	\$ -	\$ -	\$ 82,683,039

### Prior Period Adjustments

The OPEB expense, liability and deferred inflow of resources were adjusted for the year ended March 31, 2018 by restating these amounts due to the implementation of GASB Statement No. 75. OPEB expense was decreased \$5,395,840 and deferred inflow of resources of \$555,839 was created. The OPEB liability at March 31, 2018 of \$56,314,568 was restated as \$108,346,893.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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, 2019 and 2018 in the amount of \$757,945 and \$691,613, 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. Management considers the mortgage tax receivable to be fully collectible; accordingly, 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 and \$496,079 for the years ended March 31, 2019 and 2018.

## 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:

	2019		2018	
	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Bank demand deposits	\$ 1,187,325	\$ 2,126,920	\$ (23,548)	\$ 1,560,873
Money market funds	9,145,897	9,145,897	6,394,990	6,394,990
U.S. Treasury notes	<u>8,001,310</u>	<u>8,001,310</u>	<u>8,099,350</u>	<u>8,099,350</u>
	<u>\$ 18,334,532</u>	<u>\$ 19,274,127</u>	<u>\$ 14,470,792</u>	<u>\$ 16,055,213</u>

### Collateral

As of March 31, 2019 and 2018, the reported amount of the Authority's collateral balance was \$19,674,509 and \$16,402,535, respectively, and the bank balance was \$19,274,127 and \$16,055,213, respectively, which included \$7,677,395 and \$6,218,131, respectively, of money market funds held for investment. As of March 31, 2019 and 2018, collateral of \$614,288 and \$669,007, respectively, was covered by federal depository insurance and \$19,060,221 and \$15,733,528, 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.

### 3. CASH AND INVESTMENTS (Continued)

#### 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. 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 based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the fiscal years ended March 31, 2018 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, 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>

### 3. CASH AND INVESTMENTS (Continued)

As of March 31, 2018, the Authority's investments consisted of the following:

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>Greater than 10</u>
Money Market Funds	\$ 6,218,131	\$ 6,218,131	\$ -	\$ -
Certificates of Deposit	3,480,188	498,420	2,981,768	-
United States Treasury Notes	14,251,772	10,529,554	3,722,218	-
Government National Mortgage Association	<u>3,007,752</u>	<u>-</u>	<u>-</u>	<u>3,007,752</u>
	<u>\$ 26,957,843</u>	<u>\$ 17,246,105</u>	<u>\$ 6,703,986</u>	<u>\$ 3,007,752</u>

Accrued interest on investments of \$120,604 and \$79,684 is included in interest receivable on the statement of net position as of March 31, 2019 and 2018, respectively.

#### Changes in Fair Value

The net increase (decrease) in the fair value of investments during 2019 and 2018 was \$512,578 and (\$181,092), 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, 2019 and 2018 was \$78,056 and (\$226,652), 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, 2019 and 2018, the Authority's investments in United States Treasury Notes and Government National Mortgage Association bonds 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.

### 3. CASH AND INVESTMENTS (Continued)

#### Interest Rate Risk (Continued)

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.

#### 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, 2019 and 2018, all of the Authority's cash equivalents were held with M&T Bank. As of March 31, 2019 and 2018, the Authority's investments were 27.1% and 23.1%, respectively, invested in money market funds, 31.2% and 12.9%, respectively, invested in certificates of deposit, 41.7% and 52.9%, respectively, invested in United States Treasury Notes, 0% and 11.2%, respectively, invested in mortgage backed asset securities.

#### Designations

The Authority's money market funds, 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 money market funds and government securities were designated as of March 31, 2019:

	Money Market Funds	Government Securities and Certificates of Deposit	Total
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>

The Authority's money market funds and government securities were designated as of March 31, 2018:

	Money Market Funds	Government Securities and Certificates of Deposit	Total
Working capital	\$ 16,375,560	\$ 10,114,872	\$ 26,490,432
Self-insurance reserve fund	1,335,184	2,451,502	3,786,686
Para transit reserve fund	1,019,079	2,080,000	3,099,079
Other postemployment benefits reserve fund	<u>4,574,177</u>	<u>6,093,338</u>	<u>10,667,515</u>
Total	<u>\$ 23,304,000</u>	<u>\$ 20,739,712</u>	<u>\$ 44,043,712</u>

#### 4. CAPITAL ASSETS

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	6,549,546	13,229,605	(6,473)	(16,551,409)	3,221,269
Total capital assets not being depreciated	11,756,114	13,229,605	(56,935)	(16,551,409)	8,377,375
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	2,021,835	-	-	-	2,021,835
Total capital assets being depreciated	273,446,541	-	(5,994,024)	16,551,409	284,003,926
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	(921,942)	(54,923)	-	-	(976,865)
Total accumulated depreciation	(138,189,602)	(18,270,768)	5,992,774	-	(150,467,596)
Total capital assets being depreciated, net	135,256,939	(18,270,768)	(1,250)	16,551,409	133,536,330
Total capital assets	\$ 147,013,053	\$ (5,041,163)	\$ (58,185)	\$ -	\$ 141,913,705

#### 4. CAPITAL ASSETS (Continued)

Capital assets consisted of the following as of March 31, 2018 and 2017:

	April 1, 2017	Additions	Impairments and Retirements	Transfers	March 31, 2018
Capital assets not being depreciated:					
Land	\$ 5,131,568	\$ -	\$ -	\$ 75,000	\$ 5,206,568
Construction-in-process	7,368,069	15,475,072	(16,611)	(16,276,984)	6,549,546
Total capital assets not being depreciated	12,499,637	15,475,072	(16,611)	(16,201,984)	11,756,114
Capital assets being depreciated:					
Land improvements	8,186,395	-	-	344,695	8,531,090
Buildings and structures	85,871,097	-	-	6,755,899	92,626,996
Revenue vehicles	117,991,560	-	(6,307,013)	6,142,858	117,827,405
Non-revenue vehicles	1,884,786	-	(149,730)	121,964	1,857,020
Maintenance equipment	7,765,464	-	(24,559)	512,501	8,253,406
Other equipment	27,295,307	-	(13,271)	364,734	27,646,770
Computer equipment	12,729,393	-	(6,707)	1,959,333	14,682,019
Leasehold improvements	2,021,835	-	-	-	2,021,835
Total capital assets being depreciated	263,745,837	-	(6,501,280)	16,201,984	273,446,541
Accumulated depreciation of capital assets:					
Land improvements	(3,508,671)	(285,420)	-	-	(3,794,091)
Buildings and structures	(26,250,389)	(2,603,929)	-	-	(28,854,318)
Revenue vehicles	(61,303,080)	(9,922,540)	6,307,013	-	(64,918,607)
Non-revenue vehicles	(1,645,757)	(83,256)	149,730	-	(1,579,283)
Maintenance equipment	(4,178,771)	(460,080)	24,559	-	(4,614,292)
Other equipment	(19,910,368)	(2,804,408)	13,271	-	(22,701,505)
Computer equipment	(9,429,664)	(1,382,607)	6,707	-	(10,805,564)
Leasehold improvements	(867,019)	(54,923)	-	-	(921,942)
Total accumulated depreciation	(127,093,719)	(17,597,163)	6,501,280	-	(138,189,602)
Total capital assets being depreciated, net	136,652,118	(17,597,163)	-	16,201,984	135,256,939
Total capital assets	\$ 149,151,755	\$ (2,122,091)	\$ (16,611)	\$ -	\$ 147,013,053

## 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, 2019 and 2018 was \$1,661,740 and \$1,620,810, respectively. The GTCS payroll for employees covered by the System for the years ended March 31, 2019 and 2018 was \$537,647 and \$484,020, 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 2019, 2018 and 2017 were equal to the required contributions for the year and were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
RGRTA	\$ 253,931	\$ 270,192	\$ 235,811
GTCS	<u>65,918</u>	<u>62,794</u>	<u>72,959</u>
	<u>\$ 319,849</u>	<u>\$ 332,986</u>	<u>\$ 308,770</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 1,281 active and inactive plan participants as of March 31, 2019. 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 2019 and 2018, 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:	11/1/2018 and 11/1/2017	4/1/2018 and 4/1/2017	4/1/2018 and 4/1/2017	5/1/2018 and 5/1/2017	4/1/2017 and 4/1/2016
Plan measurement date:	3/31/2019 and 3/31/2018	3/31/2019 and 3/31/2018	3/31/2019 and 3/31/2018	3/31/2019 and 3/31/2018	3/31/2018 and 3/31/2017
Contribution rates:					
Employer	1.5%(a)	(b)	3.0%	(b)	See above
Plan members	1.5%(a)	(g)	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 of \$53 per month) 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%. (e)	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	Projected Unit Credit	Projected Unit Credit	Unprojected Unit Credit	Unprojected Unit Credit	Aggregate Cost Method
Amortization method (c)	Level Dollar Method	Level Dollar Method	Level Dollar Method	Level Dollar Method	All unfunded actuarial liabilities are evenly (as a percentage of projected pay) amortized over the remaining worker lifetimes of the valuation cohort.
Amortization period	Closed - 10 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	3.00%	3.00%	3.25%	3.25%	2.70%
Projected salary increases	8.25% per year for first seven years of service and 3.0% per year thereafter, including inflation	3.5% per year, including inflation	5.0% per year, including inflation	4.5% per year, including inflation	4.9% per year, including inflation
Investment rate of return	7.5%, net of pension plan investment expense (expenses not paid from plan assets), including inflation	7.1%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense (expenses not paid from plan assets), including inflation	7.1%, net of pension plan investment expense, including inflation	7.5%, net of pension plan investment expense, 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.	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.	Annuity mortality rates are based on NYSLERS's 2010 experience study of the period April 1, 2005 through March 31, 2010 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.
Number of active and inactive members at 3/31/2019	824	281	72	104	17
Number of active and inactive members at 3/31/2018	848	275	67	97	19

(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 (ARC).

(c) The amortization method used for all plans incorporates equal payments of principal and interest.

(d) Effective for the RTS Union Plan, after January 1, 2014, the monthly benefit maximum will increase to \$55 per month multiplied by the years of credited service.

(e) The percentage used is increased, as defined in the plan, for employees with more than 20 years of credited service with the employer.

(f) The annual required contribution for the RTS Union and Lift Line Union Plans has been adjusted to be based on the same measure of payroll and contractual obligations as the contributions recognized as additions in the statements of revenue, expenses and changes in net position.

(g) Effective for the RTS Non-Union Plan after March 31, 2015, all new hires will be 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, 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>	5.25		<u>100.00</u>	4.35
Plus inflation		2.75	Plus inflation		2.75
Total return without adjustment		8.00	Total return without adjustment		7.10
Risk adjustment		(0.50)	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>	4.81		<u>100.00</u>	4.37
Plus inflation		2.75	Plus inflation		2.75
Total return without adjustment		7.56	Total return without adjustment		7.12
Risk adjustment		(0.06)	Risk adjustment		(0.02)
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>	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, 2018 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	55.00	6.45	Equity Class	49.00	5.95
Fixed Income	43.00	3.31	Fixed Income	49.00	2.81
Alternatives	1.00	8.35	Alternatives	1.00	7.85
Cash Equivalents	1.00	0.85	Cash Equivalents	1.00	0.85
	<u>100.00</u>	<u>5.06</u>		<u>100.00</u>	<u>4.38</u>
Plus inflation		<u>2.75</u>	Plus inflation		<u>2.75</u>
Total return without adjustment		7.81	Total return without adjustment		7.13
Risk adjustment		<u>(0.31)</u>	Risk adjustment		<u>(0.03)</u>
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	55.00	6.45	Equity Class	54.00	5.95
Fixed Income	43.00	3.31	Fixed Income	43.00	2.81
Alternatives	1.00	8.35	Alternatives	1.00	7.85
Cash Equivalents	1.00	0.85	Cash Equivalents	2.00	0.80
	<u>100.00</u>	<u>5.07</u>		<u>100.00</u>	<u>4.52</u>
Plus inflation		<u>2.75</u>	Plus inflation		<u>2.75</u>
Total return without adjustment		7.82	Total return without adjustment		7.27
Risk adjustment		<u>(0.32)</u>	Risk adjustment		<u>(0.17)</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, 2019 and 2018 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, 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
<b>Total pension liability</b>				
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>
<b>Plan fiduciary net position</b>				
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)

### Net Pension Liability

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

Changes in the Authority's pension plans for the year ended March 31, 2018, 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
<b>Total pension liability</b>				
Service cost	\$ 956,673	\$ 752,373	\$ 127,406	\$ 158,474
Interest	4,105,938	1,625,024	115,867	181,270
Changes of benefit terms	-	-	89,036	-
Differences between expected and actual experience	632,182	373,299	(232,120)	19,244
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	(4,454,427)	(1,391,644)	(154,442)	(109,453)
Net change in total pension liability	1,240,366	1,359,052	(54,253)	249,535
Total pension liability - beginning	\$ 55,158,992	\$ 22,445,882	\$ 2,912,581	\$ 2,428,863
Total pension liability - ending (a)	\$ 56,399,358	\$ 23,804,934	\$ 2,858,328	\$ 2,678,398
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 527,320	\$ 936,304	\$ 95,578	\$ 135,093
Contributions - member	982,116	36,793	88,185	82,329
Net investment income	5,906,020	1,425,790	322,496	189,434
Benefit payments, including refunds of member contributions	(4,454,427)	(1,391,644)	(154,442)	(109,453)
Administrative expense	(23,876)	(194,979)	(1,685)	(30,745)
Net change in plan fiduciary net position	\$ 2,937,153	\$ 812,264	\$ 350,132	\$ 266,658
Plan fiduciary net position - beginning	51,422,603	19,281,731	3,438,487	1,991,702
Plan fiduciary net position - ending (b)	\$ 54,359,756	\$ 20,093,995	\$ 3,788,619	\$ 2,258,360
Net pension (asset) liability - beginning	\$ 3,736,389	\$ 3,164,151	\$ (525,906)	\$ 437,161
Net pension (asset) liability - ending (a)-(b)	\$ 2,039,602	\$ 3,710,939	\$ (930,291)	\$ 420,038
Plan fiduciary net position as a percentage of the total pension liability	96.4%	84.4%	132.5%	84.3%
Covered-employee payroll	\$ 25,530,660	\$ 7,148,977	\$ 2,480,465	\$ 2,287,198
Net pension (asset) liability as a percentage of covered employee payroll	8.0%	51.9%	-37.5%	18.4%

## 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, 2019	March 31, 2018
RTS Union	7.50	7.50
RTS Non-Union	7.10	7.10
Lift Line Union	7.50	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, 2019			March 31, 2018		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
Discount rate	6.50%	7.50%	8.50%	6.50%	7.50%	8.50%
Net pension (asset) liability	\$ 6,803,730	\$ 1,566,431	\$ (3,152,141)	\$ 7,213,875	\$ 2,039,602	\$ (2,906,586)

#### RTS Non-Union Plan

	March 31, 2019			March 31, 2018		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
Discount rate	6.10%	7.10%	8.10%	6.10%	7.10%	8.10%
Net pension liability	\$ 8,278,059	\$ 5,338,626	\$ 2,847,142	\$ 6,356,903	\$ 3,710,939	\$ 1,466,961

#### Lift Line Union Plan

	March 31, 2019			March 31, 2018		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
Discount rate	6.50%	7.50%	8.50%	6.50%	7.50%	8.50%
Net pension (asset) liability	\$ 61,192	\$ (369,944)	\$ (743,294)	\$ (567,961)	\$ (930,291)	\$ (1,243,434)

#### Lift Line and Regional Entities Non-Union Plan

	March 31, 2019			March 31, 2018		
	1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
Discount rate	6.10%	7.10%	8.10%	6.10%	7.10%	8.10%
Net pension liability	\$ 736,526	\$ 406,401	\$ 124,994	\$ 720,988	\$ 420,038	\$ 162,651

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, 2019			March 31, 2018		
	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	\$ 1,522,229	\$ 201,186	\$ (916,363)	\$ 1,745,084	\$ 546,397	\$ (467,090)

#### GTCS

	March 31, 2019			March 31, 2018		
	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	\$ 533,961	\$ 70,571	\$ (321,438)	\$ 759,048	\$ 237,663	\$ (203,167)

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

For the years ended March 31, 2019 and 2018, the Authority recognized pension expense related to each pension plan as follows:

Pension Plan	2019	2018
RTS Union	\$ 514,391	\$ 774,825
RTS Non-Union	1,522,457	1,403,795
Lift Line Union	91,453	(26,343)
Lift Line Non-Union	137,368	140,524
RGRTA - NYSLERS	270,085	330,354
GTCS - NYSLERS	55,073	114,338
	<u>\$ 2,590,827</u>	<u>\$ 2,737,493</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>
<b>Lift Line and Regional Entities Non-Union Plan</b>						
	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)

As of March 31, 2018, 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	\$ 1,612,992	\$ (931,253)	\$ 311,082	\$ (234,112)	\$ 53,985	\$ (222,883)
Net difference between projected and actual earnings on plan investments	2,038,885	(3,003,021)	616,889	(204,127)	125,297	(113,929)
Changes in actuarial assumptions	1,701,046	(2,826,511)	-	(86,411)	169,478	(532,630)
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>\$ 5,352,923</u>	<u>\$ (6,760,785)</u>	<u>\$ 927,971</u>	<u>\$ (524,650)</u>	<u>\$ 348,760</u>	<u>\$ (869,442)</u>
<b>Lift Line and Regional Entities Non-Union Plan</b>						
	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	\$ 76,513	\$ (10,251)	\$ 13,692	\$ (82,973)	\$ 5,956	\$ (36,091)
Net difference between projected and actual earnings on plan investments	62,648	(61,861)	186,669	-	81,194	-
Changes in actuarial assumptions	-	(168,429)	109,138	-	47,471	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	51,401	-	-	(63,565)
Employer contributions to the plan subsequent to the measurement date of the net pension liability	-	-	270,192	-	62,794	-
Total	<u>\$ 139,161</u>	<u>\$ (240,541)</u>	<u>\$ 631,092</u>	<u>\$ (82,973)</u>	<u>\$ 197,415</u>	<u>\$ (99,656)</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
2019	\$ -	\$ -	\$ -	\$ -	\$ 69,929	\$ (15,138)	\$ 54,791
2020	433,160	477,313	52,027	2,228	51,124	(10,621)	1,005,231
2021	(586,280)	218,897	(10,624)	(29,093)	(129,934)	(66,415)	(603,449)
2022	(1,083,137)	331,706	9,844	(19,363)	(58,296)	(32,231)	(851,477)
2023	(652,787)	353,247	22,977	(26,113)	-	-	(302,676)
2024	89,733	197,723	15,115	(28,468)	-	-	274,103
Thereafter	-	-	(28,034)	223	-	-	(27,811)
	<u>\$ (1,799,311)</u>	<u>\$ 1,578,886</u>	<u>\$ 61,305</u>	<u>\$ (100,586)</u>	<u>\$ (67,177)</u>	<u>\$ (124,405)</u>	<u>\$ (451,288)</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,:

	March 31, 2019			March 31, 2018		
Plan	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	\$ 1,566,431	\$ 2,299,670	\$ (4,098,981)	\$ 2,039,602	\$ 5,352,923	\$ (6,760,785)
RTS Non-Union	5,338,626	1,775,892	(197,006)	3,710,939	927,971	(524,650)
Lift Line Union	(369,944)	735,217	(673,912)	(930,291)	348,760	(869,442)
Lift Line and Regional Entities Non- Union Plan	406,401	59,188	(159,774)	420,038	139,161	(240,541)
RGRTA - NYSLERS	201,186	822,838	(636,084)	546,397	631,092	(82,973)
GTC - NYSLERS	70,571	240,382	(298,869)	237,663	197,415	(99,656)
Total	<u>\$ 7,213,271</u>	<u>\$ 5,933,187</u>	<u>\$ (6,064,626)</u>	<u>\$ 6,024,348</u>	<u>\$ 7,597,322</u>	<u>\$ (8,578,047)</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. These benefits are provided 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 hired on or before August 4, 2016, 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.

### Employees Covered by Benefit Terms

At April 1, 2018, the following employees were covered by the benefit terms:

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

### Total OPEB Liability

The Authority's total OPEB liability of \$114,878,155 and \$108,346,893 was measured as of March 31, 2019 and 2018, respectively, and was determined by an actuarial valuation as of April 1, 2017.

### Actuarial Assumptions and Other Inputs

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

Reporting Dates	March 31, 2019 and 2018
Measurement Dates	March 31, 2019 and 2018
Actuarial Valuation Date	April 1, 2017
Discount Rate	3.86% / 3.89%
Rate of Compensation Increase	2.00%
Inflation Rate	2.90%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight Line
Amortization Period	6.29 years

## 6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

### Actuarial Assumptions and Other Inputs (Continued)

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

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. This assumption was based on a review of published mortality tables and the demographics of the Plan.

The actuarial assumptions used in the April 1, 2017 valuation 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>2019</u>	<u>2018</u>
Balance at April 1 – as restated	\$ 108,346,893	\$ 102,674,278
Changes for the year:		
Service cost	4,940,708	4,970,738
Interest	4,164,628	3,915,408
Assumption changes	-	(555,839)
Difference between actual and expected experience	-	-
Change in actuarial cost method	-	-
Benefit payments	<u>(2,574,074)</u>	<u>(2,477,692)</u>
Balance – March 31	<u>\$ 114,878,155</u>	<u>\$ 108,346,893</u>

Changes in assumptions reflect a change in the discount rate from 3.86% as of April 1, 2017 to 3.89% as of March 31, 2018.

### 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 (4.89%/4.86%) or 1% lower (2.89%/2.86%) than the current discount rate (3.89%/3.86%).

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
March 31, 2019	\$ 123,120,872	\$ 114,878,155	\$ 102,291,466
March 31, 2018	\$ 122,226,812	\$ 108,346,893	\$ 97,467,837

### 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 (11.00%) or 1% lower (9.00%) than the current healthcare cost trend rate (10.00%).

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
March 31, 2019	\$ 91,099,181	\$ 114,878,155	\$ 140,938,716
March 31, 2018	\$ 90,051,694	\$ 108,346,893	\$ 132,311,859

## 6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The Authority recognized OPEB expense of \$6,531,264 and \$6,228,454 for the fiscal years ended March 31, 2019 and 2018, respectively.

During the fiscal year ended March 31, 2018, the Authority recognized \$555,839 in deferred inflows of resources related to OPEB as a result of the assumption changes described above and recognized those deferred inflows in OPEB expense the amount of \$88,369 per year beginning for the fiscal year ended March 31, 2019. No additional deferred inflows have arisen nor has the Authority recognized any deferred outflows of resources.

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:

2020	\$	88,369
2021		88,369
2022		88,369
2023		88,369
2024		88,369
Thereafter		25,625

## 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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance – April 1	\$ 6,150,000	\$ 5,210,000
Current Year Claims and Changes in Estimates	1,888,440	1,860,360
Claims Payments	<u>(668,440)</u>	<u>(920,360)</u>
Balance – March 31	<u>\$ 7,370,000</u>	<u>\$ 6,150,000</u>

## 7. SELF-INSURANCE (Continued)

The information below summarizes the reserve for litigated and unlitigated claims activity for the years ended March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Balance – April 1	\$ 3,530,976	\$ 2,970,292
Current Year Claims and Changes in Estimates	576,091	1,117,479
Claims (Payments)/Recoupments	<u>(1,120,297)</u>	<u>(556,795)</u>
Balance – March 31	<u>\$ 2,986,770</u>	<u>\$ 3,530,976</u>

Changes in the investments designated for self-insurance during the years ended March 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Balance – April 1	\$ 3,786,686	\$ 3,765,599
Uses of self-insurance investments	-	-
Earnings on self-insurance investments, net	<u>81,967</u>	<u>21,087</u>
Balance – March 31	<u>\$ 3,868,653</u>	<u>\$ 3,786,686</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, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Balance – April 1	\$ -	\$ -
Additional funding from unrestricted net position	-	-
Temporary funding from working capital	921,398	1,550,953
Investment earnings	-	-
Local share of capital purchases	<u>(921,398)</u>	<u>(1,550,953)</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, 2019 and 2018 covered approximately 65% and 64%, 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>
114,500 Gallons of Diesel Fuel per Month	A	4/1/2017	3/31/2018	Pay \$1.4915 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.

During fiscal 2019, the Authority received \$240,568 in net cash payments from Cargill. During fiscal 2018, the Authority received \$358,879 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 of the 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.

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

	<u>2019</u>	<u>2018</u>
Soil remediation liability – April 1	\$ 928,800	\$ 1,249,311
Expected additional future outlays, increasing liability Estimates	-	-
Payments for soil remediation and changes in estimate	<u>-</u>	<u>(320,511)</u>
Soil remediation liability – March 31	928,800	928,800
Less: Current portion	<u>(285,279)</u>	<u>(314,050)</u>
Long-term soil remediation liability	<u>\$ 643,521</u>	<u>\$ 614,750</u>

The Authority has estimated it will expend \$285,279 during the year ending March 31, 2020 and has recorded this amount as a current liability.



## 12. 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, 2019 is as follows:

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

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

12. CONDENSED FINANCIAL INFORMATION (Continued)

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

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

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

## 12. CONDENSED FINANCIAL INFORMATION (Continued)

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

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

  

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

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

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

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

  

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

## 12. CONDENSED FINANCIAL INFORMATION (Continued)

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

	RGRTA	RTS	Access
<b>Cash provided by (used for):</b>			
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	<u>(1.0)</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>2.3</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>16.2</u>	<u>0.1</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ <u>18.5</u></b>	<b>\$ <u>0.1</u></b>	<b>\$ <u>-</u></b>
	<b>Genesee</b>	<b>Livingston</b>	<b>Ontario</b>
<b>Cash provided by (used for):</b>			
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	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>
	<b>Orleans</b>	<b>Seneca</b>	<b>Wayne</b>
<b>Cash provided by (used for):</b>			
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	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>-</u></b>

## 12. CONDENSED FINANCIAL INFORMATION (Continued)

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

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

Condensed financial information for each of these entities as of March 31, 2018 is as follows:

### Condensed statement of net position (in millions) As of March 31, 2018

	RGRTA	RTS	Access
<b>Assets:</b>			
Current	\$ 44.8	\$ 9.4	\$ 0.5
Capital	-	131.1	3.5
Other	65.9	-	0.9
<b>Total assets</b>	<b>110.7</b>	<b>140.5</b>	<b>4.9</b>
<b>Deferred outflows of resources</b>	<b>0.6</b>	<b>6.3</b>	<b>0.5</b>
<b>Total assets and deferred outflows of resources</b>	<b>111.3</b>	<b>146.8</b>	<b>5.4</b>
<b>Liabilities:</b>			
Current	3.9	16.3	1.2
Long-term	2.1	113.0	0.4
<b>Total liabilities</b>	<b>6.0</b>	<b>129.3</b>	<b>1.6</b>
<b>Deferred inflows of resources</b>	<b>0.1</b>	<b>9.1</b>	<b>1.1</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>6.1</b>	<b>138.4</b>	<b>2.7</b>
<b>Net Position:</b>			
Invested in capital assets	-	131.1	3.5
Unrestricted	105.2	(147.7)	(0.8)
<b>Total net position, as restated</b>	<b>\$ 105.2</b>	<b>\$ 8.2</b>	<b>\$ 2.7</b>

## 12. CONDENSED FINANCIAL INFORMATION (Continued)

	Genesee	Livingston	Ontario
<b>Assets:</b>			
Current	\$ 0.1	\$ 0.1	\$ 0.1
Capital	0.7	3.0	2.8
Other	-	-	-
<b>Total assets</b>	<u><u>0.8</u></u>	<u><u>3.1</u></u>	<u><u>2.9</u></u>
<b>Liabilities:</b>			
Current	0.4	0.2	0.9
Long-term	-	-	-
<b>Total liabilities</b>	<u><u>0.4</u></u>	<u><u>0.2</u></u>	<u><u>0.9</u></u>
<b>Net Position:</b>			
Invested in capital assets	0.7	3.0	2.8
Unrestricted	(0.3)	(0.1)	(0.8)
<b>Total net position</b>	<u><u>\$ 0.4</u></u>	<u><u>\$ 2.9</u></u>	<u><u>\$ 2.0</u></u>

	Orleans	Seneca	Wayne
<b>Assets:</b>			
Current	\$ -	\$ -	\$ 0.5
Capital	2.1	0.6	2.3
Other	-	-	-
<b>Total assets</b>	<u><u>2.1</u></u>	<u><u>0.6</u></u>	<u><u>2.8</u></u>
<b>Liabilities:</b>			
Current	0.1	0.1	0.4
Long-term	-	-	-
<b>Total liabilities</b>	<u><u>0.1</u></u>	<u><u>0.1</u></u>	<u><u>0.4</u></u>
<b>Net Position:</b>			
Invested in capital assets	2.1	0.6	2.3
Unrestricted	(0.1)	(0.1)	0.1
<b>Total net position</b>	<u><u>\$ 2.0</u></u>	<u><u>\$ 0.5</u></u>	<u><u>\$ 2.4</u></u>

12. CONDENSED FINANCIAL INFORMATION (Continued)

	Wyoming	GTCS
<b>Assets:</b>		
Current	\$ -	\$ 1.6
Capital	0.8	-
Other	-	-
<b>Total assets</b>	<u>0.8</u>	<u>1.6</u>
<b>Deferred outflows of resources</b>	<u>-</u>	<u>0.2</u>
<b>Total assets and deferred outflows of resources</b>	<u>0.8</u>	<u>1.8</u>
<b>Liabilities:</b>		
Current	0.2	1.5
Long-term	-	0.2
<b>Total liabilities</b>	<u>0.2</u>	<u>1.7</u>
<b>Deferred inflows of resources</b>	<u>-</u>	<u>0.1</u>
<b>Total liabilities and deferred inflows of resources</b>	0.2	1.8
<b>Net Position:</b>		
Invested in capital assets	0.8	-
Unrestricted	(0.2)	(0.1)
<b>Total net position</b>	<u>\$ 0.6</u>	<u>\$ (0.1)</u>



## 12. CONDENSED FINANCIAL INFORMATION (Continued)

### Condensed statement of revenues, expenses and changes in net position (in millions) For the year ended March 31, 2018

	<b>RGRTA</b>	<b>RTS</b>	<b>Access</b>
Operating revenues	\$ 1.7	\$ 25.4	\$ 0.4
Operating expenses	3.1	78.8	7.9
Depreciation	<u>-</u>	<u>14.8</u>	<u>0.8</u>
<b>Operating income (loss)</b>	<b><u>(1.4)</u></b>	<b><u>(68.2)</u></b>	<b><u>(8.3)</u></b>
Non-operating revenues (expenses)	0.1	49.3	8.6
Capital contributions	<u>-</u>	<u>6.8</u>	<u>0.8</u>
<b>Change in net position</b>	<b>(1.3)</b>	<b>(12.1)</b>	<b>1.1</b>
Beginning net position, as restated	106.5	20.3	1.6
<b>Ending net position</b>	<b><u>\$ 105.2</u></b>	<b><u>\$ 8.2</u></b>	<b><u>\$ 2.7</u></b>

  

	<b>Genesee</b>	<b>Livingston</b>	<b>Ontario</b>
Operating revenues	\$ 0.4	\$ 0.8	\$ 0.4
Operating expenses	1.1	1.6	2.9
Depreciation	<u>0.1</u>	<u>0.5</u>	<u>0.4</u>
<b>Operating income (loss)</b>	<b><u>(0.8)</u></b>	<b><u>(1.3)</u></b>	<b><u>(2.9)</u></b>
Nonoperating revenues (expenses)	0.7	0.8	2.2
Capital contributions	<u>0.7</u>	<u>1.1</u>	<u>2.5</u>
<b>Change in net position</b>	<b>0.6</b>	<b>0.6</b>	<b>1.8</b>
Beginning net position	(0.2)	2.3	0.2
<b>Ending net position</b>	<b><u>\$ 0.4</u></b>	<b><u>\$ 2.9</u></b>	<b><u>\$ 2.0</u></b>

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

**Condensed statement of revenues, expenses and changes in net position (in millions)**  
**For the year ended March 31, 2018**

	<b>Orleans</b>	<b>Seneca</b>	<b>Wayne</b>
Operating revenues	\$ 0.0	\$ 0.1	\$ 2.0
Operating expenses	0.7	0.8	2.3
Depreciation	<u>0.1</u>	<u>0.2</u>	<u>0.5</u>
<b>Operating income (loss)</b>	<b><u>(0.8)</u></b>	<b><u>(0.9)</u></b>	<b><u>(0.8)</u></b>
Nonoperating revenues			
(expenses)	0.7	0.7	0.4
Capital contributions	<u>1.5</u>	<u>0.2</u>	<u>1.7</u>
<b>Change in net position</b>	<b>1.4</b>	<b>0.0</b>	<b>1.3</b>
Beginning net position	<u>0.6</u>	<u>0.5</u>	<u>1.1</u>
<b>Ending net position</b>	<b><u>\$ 2.0</u></b>	<b><u>\$ 0.5</u></b>	<b><u>\$ 2.4</u></b>

  

	<b>Wyoming</b>	<b>GTCS</b>
Operating revenues	\$ 0.1	\$ -
Operating expenses	1.3	2.0
Depreciation	<u>0.2</u>	<u>-</u>
<b>Operating income (loss)</b>	<b><u>(1.4)</u></b>	<b><u>(2.0)</u></b>
Nonoperating revenues	1.2	2.7
(expenses)		
Capital contributions	<u>0.2</u>	<u>-</u>
<b>Change in net position</b>	<b>(0.0)</b>	<b>0.7</b>
Beginning net position	<u>0.7</u>	<u>-</u>
<b>Ending net position</b>	<b><u>\$ 0.7</u></b>	<b><u>\$ 0.7</u></b>

## 12. CONDENSED FINANCIAL INFORMATION (Continued)

### Condensed statement of cash flows (in millions) For the year ended March 31, 2018

	RGRTA	RTS	Access
<b>Cash provided by (used for):</b>			
Operating activities	\$ (0.1)	\$ (50.1)	\$ (8.8)
Noncapital financing activities	(5.8)	49.0	8.6
Capital and related financing activities	(5.5)	1.1	0.2
Investing activities	<u>(1.0)</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>12.4</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>28.6</u>	<u>0.1</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ 16.2</b>	<b>\$ 0.1</b>	<b>\$ -</b>
	<b>Genesee</b>	<b>Livingston</b>	<b>Ontario</b>
<b>Cash provided by (used for):</b>			
Operating activities	\$ (0.7)	\$ (0.8)	\$ (2.1)
Noncapital financing activities	0.7	0.8	2.2
Capital and related financing activities	-	-	(0.1)
Investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Orleans</b>	<b>Seneca</b>	<b>Wayne</b>
<b>Cash provided by (used for):</b>			
Operating activities	\$ (0.7)	\$ (0.7)	\$ (0.3)
Noncapital financing activities	0.6	0.7	0.4
Capital and related financing activities	0.1	-	(0.1)
Investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning cash and equivalents	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending cash and equivalents</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**Condensed statement of cash flows (in millions)**  
**For the year ended March 31, 2018**

	<b>Wyoming</b>	<b>GTCS</b>
<b>Cash provided by (used for):</b>		
Operating activities	\$ (0.9)	\$ (2.7)
Noncapital financing activities	1.2	2.7
Capital and related financing activities	(0.3)	-
Investing activities	-	-
<b>Net change</b>	-	-
Beginning cash and equivalents	-	-
<b>Ending cash and equivalents</b>	<u><u>\$ -</u></u>	<u><u>\$ -</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 18, 2019

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, 2019, 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 18, 2019.

**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**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OPEB Liability - Beginning of Year</b>	\$ 108,347	\$ 102,674								
Changes for the Year										
Service Cost	4,940	4,791								
Interest	4,165	3,915								
Assumption Changes	-	(556)								
Difference Between Actual and Expected Experience	-	-								
Change in Actuarial Cost Method	-	-								
Benefit Payments	(2,574)	(2,477)								
<b>OPEB Liability - End of Year</b>	<u>\$ 114,878</u>	<u>\$ 108,347</u>								
Covered Payroll	\$ 29,472	\$ 28,894								
Total OPEB Liability as % of Covered Payroll	25.7%	26.7%								

**Notes to schedule:**

**Changes of 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:

			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.
Discount rate	3.89%	3.86%	

**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**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b><u>NYSLERS - RGRTA:</u></b>										
Proportion of the net pension liability	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	\$ 201	\$ 546	\$ 819	\$ 169						
Covered-employee payroll	\$ 1,662	\$ 1,621	\$ 1,583	\$ 1,502						
Proportionate share of the net pension liability liability as a percentage of its covered payroll	12.1%	33.7%	51.7%	11.3%						
Plan fiduciary net position as a percentage of total pension liability	98.2%	94.7%	90.7%	97.9%						
<b><u>NYSLERS - GTC:</u></b>										
Proportion of the net pension liability	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	\$ 71	\$ 238	\$ 430	\$ 94						
Covered-employee payroll	\$ 538	\$ 484	\$ 417	\$ 460						
Proportionate share of the net pension liability liability as a percentage of its covered payroll	13.2%	49.2%	103.1%	20.4%						
Plan fiduciary net position as a percentage of total pension liability	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**

**SCHEDULE OF CONTRIBUTIONS FOR ALL PENSION PLANS FOR THE YEAR ENDED MARCH 31,**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b><u>RTS Union:</u></b>										
Actuarially Determined Contribution	\$ 592	\$ 527	\$ 467	\$ 399	\$ 1,398	\$ 1,573	\$ 1,112	\$ 950	\$ 992	\$ 616
Actual Employer Contribution	596	527	467	557	1,398	1,573	1,112	950	992	616
Contribution Deficiency (Excess)	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (158)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 26,260	\$ 25,531	\$ 26,871	\$ 22,786	\$ 23,800	\$ 22,300	\$ 22,400	\$ 20,000	\$ 18,900	\$ 18,600
Contributions as a % of Covered Payroll	2.3%	2.1%	1.7%	2.4%	5.9%	7.1%	5.0%	4.8%	5.2%	3.3%
<b><u>RTS Non-Union:</u></b>										
Actuarially Determined Contribution	\$ 1,070	\$ 936	\$ 830	\$ 508	\$ 391	\$ 240	\$ 286	\$ -	\$ -	\$ -
Actual Employer Contribution	1,070	936	1,338	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>(508)</u>	<u>508</u>	<u>391</u>	<u>240</u>	<u>286</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 7,532	\$ 7,149	\$ 6,100	\$ 6,159	\$ 5,100	\$ 4,200	\$ 4,100	\$ 3,900	\$ 3,800	\$ 3,500
Contributions as a % of Covered Payroll	14.2%	13.1%	21.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Lift Line Union:</u></b>										
Actuarially Determined Contribution	\$ 82	\$ 52	\$ 58	\$ -	\$ -	\$ 73	\$ 73	\$ 82	\$ 78	\$ 71
Actual Employer Contribution	113	95	82	72	69	73	73	82	78	71
Contribution Deficiency (Excess)	<u>\$ (31)</u>	<u>\$ (43)</u>	<u>\$ (24)</u>	<u>\$ (72)</u>	<u>\$ (69)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,747	\$ 2,480	\$ 2,295	\$ 2,296	\$ 2,402	\$ 2,373	\$ 2,312	\$ 2,552	\$ 1,869	\$ 1,919
Contributions as a % of Covered Payroll	4.1%	3.8%	3.6%	3.1%	2.9%	3.1%	3.2%	3.2%	4.2%	3.7%
<b><u>Lift Line and Regional Entities Non-Union:</u></b>										
Actuarially Determined Contribution	\$ 152	\$ 135	\$ 141	\$ 128	\$ 141	\$ 154	\$ 130	\$ 69	\$ 67	\$ 60
Actual Employer Contribution	152	135	141	128	141	154	130	69	67	60
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	\$ 2,513	\$ 2,287	\$ 2,218	\$ 2,080	\$ 2,333	\$ 2,411	\$ 2,546	\$ 2,270	\$ 1,904	\$ 1,830
Contributions as a % of Covered Payroll	6.0%	5.9%	6.4%	6.2%	6.0%	6.4%	5.1%	3.0%	3.5%	3.3%
<b><u>NYSLERS - RGRTA:</u></b>										
Actuarially Determined Contribution	\$ 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	254	270	236	232						
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
Covered Payroll	\$ 1,662	\$ 1,621	\$ 1,583	\$ 1,502	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.					
Contributions as a % of Covered Payroll	15.3%	16.7%	14.9%	15.4%						
<b><u>NYSLERS - GTC:</u></b>										
Actuarially Determined Contribution	\$ 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	66	63	73	85						
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>						
Covered Payroll	\$ 538	\$ 484	\$ 417	\$ 460	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.					
Contributions as a % of Covered Payroll	12.3%	13.0%	17.5%	18.5%						

# **Combining Financial Information**

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

**COMBINING SCHEDULE OF NET POSITION**  
**MARCH 31, 2019**

	RGRTA	RTS	Access	Genesee	Livingston	Ontario	Orleans	Seneca	Wayne	Wyoming	GTCS	Eliminations	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>													
CURRENT ASSETS:													
Cash and equivalents	\$ 18,514,606	\$ 38,899	\$ 4,279	\$ 383	\$ 35,993	\$ 11,561	\$ 1,638	\$ 676	\$ 3,911	\$ 2,994	\$ 41,479	\$ -	\$ 18,656,419
Current portion of investments	15,058,457	-	-	-	-	-	-	-	-	-	-	-	15,058,457
Receivables:													
Trade, net	4,416,651	2,245,357	7,396	105,451	79,837	21,626	1,041	7,367	700,806	5,855	723,420	-	8,314,807
Mortgage tax	736,549	-	-	-	-	-	-	-	-	-	-	-	736,549
Capital grants	4,969,533	-	-	-	-	-	-	-	-	-	-	-	4,969,533
Operating assistance	4,647,304	955,970	177,466	-	-	-	-	-	-	-	-	-	5,780,740
Interest	120,604	-	-	-	-	-	-	-	-	-	-	-	120,604
Materials and supplies inventory, net	-	285,970	122,012	-	-	72,365	-	-	-	-	-	-	480,347
Prepaid expenses and other current assets	632	691,801	13,540	2,224	4,591	29,297	1,483	2,542	5,719	2,118	453	-	754,400
Inter-entire receivable	1,325,066	1,280,807	55	-	-	-	-	-	-	-	2,180,291	(4,786,219)	-
Total current assets	49,789,402	5,498,804	324,748	108,058	120,421	134,849	4,162	10,585	710,436	10,967	2,945,643	(4,786,219)	54,871,856
NONCURRENT ASSETS:													
Capital assets, net	-	126,215,917	3,340,311	582,484	2,744,892	2,200,295	3,778,159	498,050	1,811,837	740,589	1,171	-	141,913,705
Investments, net of current portion	13,871,229	-	-	-	-	-	-	-	-	-	-	-	13,871,229
Net pension asset	-	-	369,944	-	-	-	-	-	-	-	-	-	369,944
Investments in consolidated component unit entities	53,477,890	-	-	-	-	-	-	-	-	-	-	(53,477,890)	-
Total noncurrent assets	67,349,119	126,215,917	3,710,255	582,484	2,744,892	2,200,295	3,778,159	498,050	1,811,837	740,589	1,171	(53,477,890)	156,154,878
TOTAL ASSETS	117,138,521	131,714,721	4,035,003	690,542	2,865,313	2,335,144	3,782,321	508,635	2,522,273	751,556	2,946,814	(58,264,109)	211,026,734
DEFERRED OUTFLOWS OF RESOURCES:													
Deferred outflows related to pensions	822,838	4,075,562	794,405	-	-	-	-	-	-	-	240,382	-	5,933,187
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 117,961,359	\$ 135,790,283	\$ 4,829,408	\$ 690,542	\$ 2,865,313	\$ 2,335,144	\$ 3,782,321	\$ 508,635	\$ 2,522,273	\$ 751,556	\$ 3,187,196	\$ (58,264,109)	\$ 216,959,921
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>													
CURRENT LIABILITIES:													
Accounts payable	\$ 1,085,759	\$ 4,367,095	\$ 199,871	\$ 99,474	\$ 45,958	\$ 124,641	\$ 47,481	\$ 18,065	\$ 95,675	\$ 48,077	\$ 246,588	\$ -	\$ 6,378,684
Accrued wages, vacation, pension and payroll taxes	387,401	3,773,511	369,560	47,771	154,889	158,591	51,895	59,058	255,184	113,191	97,219	-	5,468,270
Current portion of soil remediation liability	-	285,279	-	-	-	-	-	-	-	-	-	-	285,279
Reserve for litigated and unlitigated claims	-	2,727,918	111,206	55,141	-	62,746	-	19,809	9,950	-	-	-	2,886,770
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-entire payable	2,179,889	402	-	-	-	-	-	-	-	-	2,605,928	(4,786,219)	-
Total current liabilities	3,657,590	17,372,666	1,399,903	441,646	235,922	393,032	105,863	96,932	377,675	219,608	2,974,385	(4,786,219)	22,489,003
LONG-TERM LIABILITIES:													
Net pension liability	201,186	6,905,057	406,401	-	-	-	-	-	-	-	70,571	-	7,583,215
Other postemployment benefits	1,562,341	113,315,814	-	-	-	-	-	-	-	-	-	-	114,878,155
Soil remediation liability, net of current portion	-	643,521	-	-	-	-	-	-	-	-	-	-	643,521
Total long-term liabilities	1,763,527	120,864,392	406,401	-	-	-	-	-	-	-	70,571	-	123,104,891
TOTAL LIABILITIES	5,421,117	138,237,058	1,806,304	441,646	235,922	393,032	105,863	96,932	377,675	219,608	3,044,956	(4,786,219)	145,593,894
DEFERRED INFLOWS OF RESOURCES:													
Deferred revenue	-	20,046	-	13,293	8,796	45,839	7,526	6,255	9,578	6,213	-	-	117,546
Deferred inflows related to other postemployment benefits	6,358	461,112	-	-	-	-	-	-	-	-	-	-	467,470
Deferred inflows related to pensions	636,085	4,295,987	833,685	-	-	-	-	-	-	-	298,869	-	6,064,626
TOTAL DEFERRED INFLOWS OF RESOURCES	642,443	4,777,145	833,685	13,293	8,796	45,839	7,526	6,255	9,578	6,213	298,869	-	6,649,642
NET POSITION:													
Net investment in capital assets	-	126,215,917	3,340,311	582,484	2,744,892	2,200,295	3,778,159	498,050	1,811,837	740,589	1,171	-	141,913,705
Unrestricted	111,897,799	(133,439,837)	(1,150,892)	(346,881)	(124,297)	(304,022)	(109,227)	(92,602)	323,183	(214,854)	(157,800)	(53,477,890)	(77,197,320)
Total net position	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
TOTAL LIABILITIES AND NET POSITION	\$ 117,961,359	\$ 135,790,283	\$ 4,829,408	\$ 690,542	\$ 2,865,313	\$ 2,335,144	\$ 3,782,321	\$ 508,635	\$ 2,522,273	\$ 751,556	\$ 3,187,196	\$ (58,264,109)	\$ 216,959,921

**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, 2019**

	RGRTA	RTS	Access	Genesee	Livingston	Ontario	Orleans	Seneca	Wayne	Wyoming	GTCS	Eliminations	Total
OPERATING REVENUE:													
Customer fares	\$ -	\$ 8,913,780	\$ 397,576	\$ 21,981	\$ 26,897	\$ 191,146	\$ 28,222	\$ 55,255	\$ 48,914	\$ 26,841	\$ -	\$ -	\$ 9,710,612
Special transit fares	-	12,711,999	-	322,926	662,264	107,593	1,689	49,109	2,044,618	39,681	-	-	15,939,879
Reimbursement and recovery	234	836,995	12,433	216	803	2,388	36	135	283	169	202	-	853,894
Other	<u>1,661,822</u>	<u>2,933,930</u>	<u>34</u>	<u>31,711</u>	<u>34,321</u>	<u>98,429</u>	<u>-</u>	<u>214</u>	<u>2,611</u>	<u>(1,200)</u>	<u>22,349</u>	<u>(3,899,448)</u>	<u>884,773</u>
Total operating revenue	<u>1,662,056</u>	<u>25,396,704</u>	<u>410,043</u>	<u>376,834</u>	<u>724,285</u>	<u>399,556</u>	<u>29,947</u>	<u>104,713</u>	<u>2,096,426</u>	<u>65,491</u>	<u>22,551</u>	<u>(3,899,448)</u>	<u>27,389,158</u>
OPERATING EXPENSES AND DEPRECIATION:													
Operating expenses -													
Salaries and wages	1,668,499	37,079,489	4,891,642	454,369	725,597	1,297,672	274,526	336,730	1,369,573	552,193	542,999	-	49,193,289
Employee benefits	702,746	24,542,854	1,696,995	235,156	313,776	393,445	72,336	261,680	367,662	147,784	264,635	-	28,999,069
Inter-entire cost allocations	402,067	1,232,258	683,031	208,033	210,102	205,641	240,501	242,391	208,033	242,359	25,032	(3,899,448)	-
Materials and supplies	-	8,489,775	841,771	67,858	186,089	314,568	59,175	78,577	381,779	135,636	2,488	-	10,557,716
Services	68,950	5,890,585	173,263	43,511	147,265	103,496	17,290	49,736	138,731	92,269	940,422	-	7,665,518
Utilities	-	876,858	63,763	2,804	15,636	35,147	16,482	2,934	3,138	5,973	5,051	-	1,027,786
Litigated and unlitigated claims	2,149	1,449,035	186,745	27,831	39,350	(211,242)	12,588	42,917	74,539	21,543	1,000	-	1,646,455
Other	<u>369,131</u>	<u>925,578</u>	<u>57,528</u>	<u>97,204</u>	<u>47,030</u>	<u>148,445</u>	<u>20,663</u>	<u>19,370</u>	<u>20,617</u>	<u>43,981</u>	<u>40,296</u>	<u>-</u>	<u>1,789,843</u>
Total operating expenses	<u>3,213,542</u>	<u>80,486,432</u>	<u>8,594,738</u>	<u>1,136,766</u>	<u>1,684,845</u>	<u>2,287,172</u>	<u>713,561</u>	<u>1,034,335</u>	<u>2,564,072</u>	<u>1,241,738</u>	<u>1,821,923</u>	<u>(3,899,448)</u>	<u>100,879,676</u>
Depreciation -													
Locally funded	-	1,570,726	102,477	15,750	46,042	69,927	20,579	18,729	54,020	14,118	-	-	1,912,368
Grant funded	<u>-</u>	<u>13,486,014</u>	<u>910,802</u>	<u>122,010</u>	<u>399,374</u>	<u>566,385</u>	<u>164,190</u>	<u>134,019</u>	<u>465,832</u>	<u>107,437</u>	<u>2,336</u>	<u>-</u>	<u>16,358,399</u>
Total depreciation	<u>-</u>	<u>15,056,740</u>	<u>1,013,279</u>	<u>137,760</u>	<u>445,416</u>	<u>636,312</u>	<u>184,769</u>	<u>152,748</u>	<u>519,852</u>	<u>121,555</u>	<u>2,336</u>	<u>-</u>	<u>18,270,767</u>
Total operating expenses and depreciation	<u>3,213,542</u>	<u>95,543,172</u>	<u>9,608,017</u>	<u>1,274,526</u>	<u>2,130,261</u>	<u>2,923,484</u>	<u>898,330</u>	<u>1,187,083</u>	<u>3,083,924</u>	<u>1,363,293</u>	<u>1,824,259</u>	<u>(3,899,448)</u>	<u>119,150,443</u>
LOSS FROM OPERATIONS	<u>(1,551,486)</u>	<u>(70,146,468)</u>	<u>(9,197,974)</u>	<u>(897,692)</u>	<u>(1,405,976)</u>	<u>(2,523,928)</u>	<u>(868,383)</u>	<u>(1,082,370)</u>	<u>(987,498)</u>	<u>(1,297,802)</u>	<u>(1,801,708)</u>	<u>-</u>	<u>(91,761,285)</u>
NONOPERATING INCOME (EXPENSE):													
External operating assistance subsidies -													
Federal	295,502	8,262,700	487,652	125,500	145,000	464,575	85,000	80,000	260,756	130,000	1,732,179	-	12,068,864
State	-	40,021,204	1,949,733	57,448	38,969	194,890	30,173	29,407	42,237	21,302	-	-	42,385,363
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	759,376	-	-	-	-	-	-	-	-	-	-	-	759,376
Mortgage recording tax	10,661,957	-	-	-	-	-	-	-	-	-	-	-	10,661,957
Subrecipient grant revenue	184,118	-	-	-	-	-	-	-	-	-	-	-	184,118
Subrecipient grant expense	(184,118)	-	-	-	-	-	-	-	-	-	-	-	(184,118)
Change in soil remediation liability	-	(900)	-	-	-	-	-	-	-	-	-	-	(900)
Gain on disposal of capital assets, net	-	11,431	2,571	663	612	2,085	201	462	2,319	322	-	-	20,667
Authority subsidies	(8,953,418)	(1,937,260)	5,883,288	538,902	786,836	1,112,636	558,715	813,461	178,037	1,018,803	-	-	-
Write-off of inter-entire accounts	<u>5,506,663</u>	<u>(5,329,444)</u>	<u>(499,617)</u>	<u>(31,828)</u>	<u>(86,339)</u>	<u>396,648</u>	<u>(23,911)</u>	<u>(25,519)</u>	<u>133,291</u>	<u>(39,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating income	<u>8,270,080</u>	<u>44,552,145</u>	<u>7,823,627</u>	<u>743,854</u>	<u>920,263</u>	<u>2,354,190</u>	<u>680,281</u>	<u>922,832</u>	<u>654,953</u>	<u>1,150,422</u>	<u>1,732,179</u>	<u>-</u>	<u>69,804,826</u>
CHANGE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>6,718,594</u>	<u>(25,594,323)</u>	<u>(1,374,347)</u>	<u>(153,838)</u>	<u>(485,713)</u>	<u>(169,738)</u>	<u>(188,102)</u>	<u>(159,538)</u>	<u>(332,545)</u>	<u>(147,380)</u>	<u>(69,529)</u>	<u>-</u>	<u>(21,956,459)</u>
CAPITAL CONTRIBUTIONS:													
Federal	-	2,644,942	508,652	14,199	127,006	504	1,496,870	1,960	-	19,135	-	-	4,813,268
State	-	6,733,988	291,776	1,775	15,876	63	187,109	245	-	2,392	-	-	7,233,224
Authority	<u>-</u>	<u>818,487</u>	<u>93,791</u>	<u>1,775</u>	<u>15,876</u>	<u>16,520</u>	<u>187,109</u>	<u>245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,136,195)</u>	<u>-</u>
Total capital contributions	<u>-</u>	<u>10,197,417</u>	<u>894,219</u>	<u>17,749</u>	<u>158,758</u>	<u>17,087</u>	<u>1,871,088</u>	<u>2,450</u>	<u>-</u>	<u>23,919</u>	<u>-</u>	<u>(1,136,195)</u>	<u>12,046,492</u>
CHANGE IN NET POSITION	<u>6,718,594</u>	<u>(15,396,906)</u>	<u>(480,128)</u>	<u>(136,089)</u>	<u>(326,955)</u>	<u>(152,651)</u>	<u>1,682,986</u>	<u>(157,088)</u>	<u>(332,545)</u>	<u>(123,461)</u>	<u>(69,529)</u>	<u>(1,136,195)</u>	<u>(9,909,967)</u>
NET POSITION - beginning of year	<u>105,179,205</u>	<u>8,172,986</u>	<u>2,669,547</u>	<u>371,692</u>	<u>2,947,550</u>	<u>2,048,924</u>	<u>1,985,946</u>	<u>562,536</u>	<u>2,467,565</u>	<u>649,196</u>	<u>(87,100)</u>	<u>(52,341,695)</u>	<u>74,626,352</u>
NET POSITION - end of year	<u>\$ 111,897,799</u>	<u>\$ (7,223,920)</u>	<u>\$ 2,189,419</u>	<u>\$ 235,603</u>	<u>\$ 2,620,595</u>	<u>\$ 1,896,273</u>	<u>\$ 3,668,932</u>	<u>\$ 405,448</u>	<u>\$ 2,135,020</u>	<u>\$ 525,735</u>	<u>\$ (156,629)</u>	<u>\$ (53,477,890)</u>	<u>\$ 64,716,385</u>

