

2023 FUND BUDGETS

FUND OVERVIEW

The Authority maintains its financial books of accounts on the accrual basis of accounting, using a single enterprise fund to report the results of its operations. However, separate funds are maintained on the books of the Authority in order to best account for its various revenues that are designated for specific purposes.

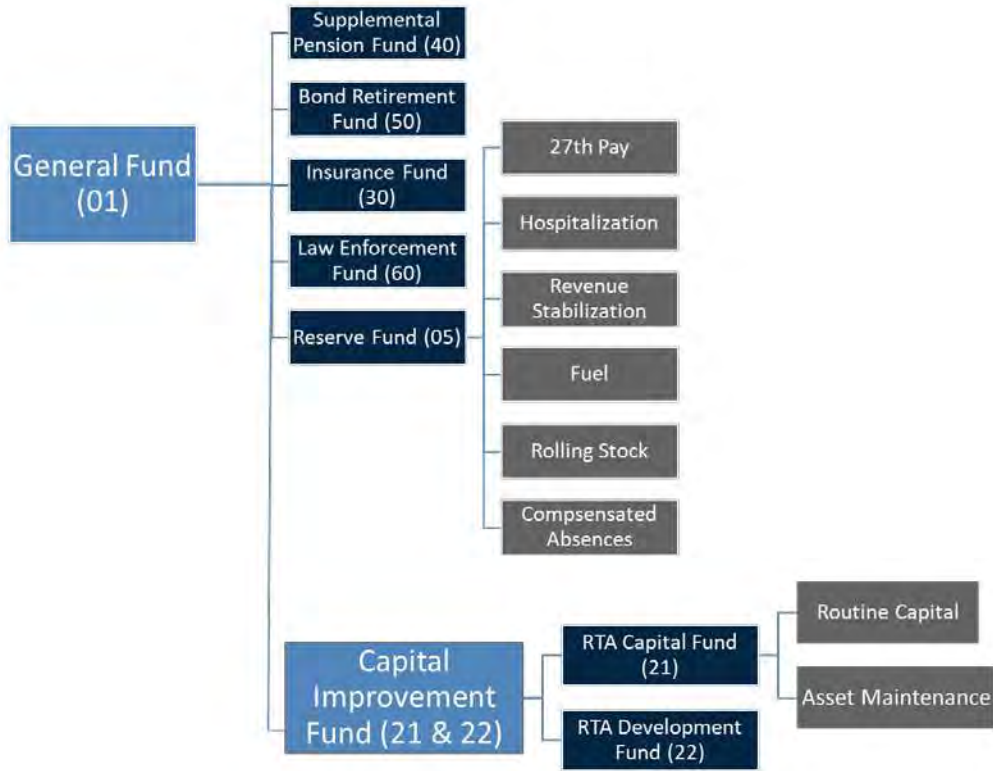


Figure 27

The Authority is an independent, special purpose political subdivision of the State of Ohio. While reporting financial position, results of operations and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (non-GAAP Basis) and Actuals is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP are:

- a) Revenues are recorded when received in cash (budget) as opposed to when earned (GAAP).
- b) Expenditures are recorded when in paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

- d) Unrecorded cash represents amounts received but not reported on the fund statements (budget), but which is reported on the GAAP basis operating statements.
- e) Investments are reported at cost (budget) rather than fair market value (GAAP).
- f) Budgetary revenues and expenditures of the economic incentive and fund are classified to the general fund for GAAP reporting.

The Authority uses the following appropriated funds to account for its operations:

Available Ending Balance (also referred to as **Fund Balance**) for the Fund Statements represent the unencumbered, unreserved balance. These fund balances are shown net of reserves for encumbrances. The **Fund Balance** provides a measure of a fund's financial health. The following analysis focuses on the Authority's funds and addresses future trends within those balances. The analysis also presents details on revenue and expenditure trends.

*Beginning Balance + Current Revenues = **Total Resources***

*Total Resources – Total Current Expenditures = **Available Ending Balance (Fund Balance)***

Balance Analysis: The combined fund balances of all the Authority's appropriated Funds include:

- General
- Capital Improvement
- Bond Retirement
- Insurance
- Supplemental Pension
- Law Enforcement
- Reserve Fund

Despite the COVID-19 Pandemic, and with Federal assistance, the Authority has been steadily increasing its ending balance. RTA has been diligent in creating a sustainable budget. The Authority's 2023 All Funds forecast \$353.5 million in available ending balance.

2023 Funds Summary

	General Fund	RESTRICTED FUNDS							Total of All Funds
		RTA Development Fund	RTA Capital Fund	Bond Retirement Fund	Insurance Fund	Supplemental Pension Fund	Law Enforcement Fund	Reserve Fund	
		CAPITAL FUNDS							
Revenues									
Operating Revenues									
Passenger Fares	\$ 24,683,669								\$ 24,683,669
Advertising & Concessions	2,061,751								2,061,751
Naming Rights	485,300								485,300
Investment Income	600,000	\$ 200,000	\$ 65,000	\$ 135,000	\$ 35,000	\$ 1,100	\$ 50	\$ 500,000	1,536,150
Total Operating Revenues	27,830,720	200,000	65,000	135,000	35,000	1,100	50	500,000	28,766,870
Non-Operating Revenues									
Sales & Use Tax	259,038,785								259,038,785
Reimbursed Expenditures	5,000,000								5,000,000
Federal		64,062,635							64,062,635
State		19,336,598							19,336,598
Bond Proceeds									
Other Revenue	1,500,000	24,225,000					5,000		25,730,000
Total Non-Operating Revenues	265,538,785	107,624,233					5,000		373,168,018
Transfers									
Transfer from General Fund			21,866,868	6,627,398	2,500,000			10,878,615	
Transfer from RTA Capital Fund		19,500,000							
Transfer from Reserve Fund									
For Compensated Absences									
For Fuel									
For Hospitalization									
For Rolling Stock Reserve		10,000,000							
For 27th Pay									
For Revenue Stabilization	6,500,000								
Total Transfers	6,500,000	29,500,000	21,866,868	6,627,398	2,500,000	-	-	10,878,615	
Total Revenues	299,869,505	137,324,233	21,931,868	6,762,398	2,535,000	1,100	5,050	11,378,615	401,934,888
Expenditures									
Operating Expenditures									
Salaries & Overtime	157,017,221								157,017,221
Payroll Taxes & Fringes	56,697,891								56,697,891
Fuel (Diesel, CNG, Propulsion Power, Propane, Gasoline)	10,758,400								10,758,400
Utilities	4,181,320								4,181,320
Inventory	12,500,000								12,500,000
Services, Materials & Supplies	24,637,747								24,637,747
Purchased Transportation	9,150,000								9,150,000
Other Expenditures	7,447,466								7,447,466
Total Operating Expenditures	282,390,045								282,390,045
Non-Operating Expenditures									
Capital Outlay		135,930,660	4,047,734						139,978,394
Debt Service (Principal & Interest)				9,471,950					9,471,950
Other Expenditures				1,500	3,049,000	9,000	20,000		3,079,500
Total Non-Operating Expenditures	-	135,930,660	4,047,734	9,473,450	3,049,000	9,000	20,000		152,529,844
Sub-Total Expenditures	282,390,045	135,930,660	4,047,734	9,473,450	3,049,000	9,000	20,000		434,919,889
Revenues less Expenditures	17,479,460	1,393,573	17,884,134	(2,711,052)	(514,000)	(7,900)	(14,950)	11,378,615	(32,985,001)
Transfers to Other Funds									
Transfer to General Fund									
Transfer to Insurance Fund	2,500,000								
Transfer to Supplemental Pension Fund	-								
Transfer to Bond Retirement Fund	6,627,398								
Transfer to RTA Capital Fund	21,866,868								
Transfer to RTA Development Fund		19,500,000							
Transfer to Reserve Fund									
For Compensated Absences									
For Fuel									
For Hospitalization									
For Rolling Stock Reserve	10,000,000							10,000,000	
For 27th Pay	878,615								
For Revenue Stabilization								6,500,000	
Total Transfers to Other Funds	41,872,881		19,500,000					16,500,000	
Total Expenditures	324,262,926	135,930,660	23,547,734	9,473,450	3,049,000	9,000	20,000	16,500,000	434,919,889
Net Increase (Decrease)	(24,393,421)	1,393,573	(1,615,866)	(2,711,052)	(514,000)	(7,900)	(14,950)	(5,121,385)	(32,985,001)
Beginning Balance	42,560,670	288,686,325	7,396,034	3,681,652	5,703,198	1,339,747	171,819	150,884,063	500,423,508
Less Ending Encumbrances									
Available Ending Balance	\$ 18,167,249	\$ 290,079,898	\$ 5,780,168	\$ 970,600	\$ 5,189,198	\$ 1,331,847	\$ 156,869	\$ 145,762,678	\$ 467,438,507

Figure 28

*The different highlights show how dollars move between funds, revenues, and expenditures

GENERAL FUND

BALANCE ANALYSIS

The General Fund Operating Fund of the Authority. It accounts for all revenue and expenditures, including all personnel costs (salaries, overtime, taxes, fringes, etc.) The General Operating Fund does not include activities related to funds set aside for capital improvements, debt service, catastrophic/extraordinary losses, supplemental pension benefits, economic downturns, or replacement of revenue vehicles.

General Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Operating Revenues						
Passenger Fares	\$ 21,541,061	\$ 21,719,563	\$ 28,761,449	\$ 24,683,669	\$ 25,178,427	\$ 25,683,004
Advertising & Concessions	780,796	737,157	2,056,186	2,061,751	2,061,751	2,061,751
Naming Rights	447,224	652,843	416,863	485,300	485,300	485,300
Investment Income	97,478	600,000	891,750	600,000	600,000	600,000
Total Operating Revenues	22,866,559	23,709,563	32,126,248	27,830,720	28,325,478	28,830,055
Non-Operating Revenues						
Sales & Use Tax	239,341,747	242,986,048	254,954,364	259,038,785	264,219,560	269,503,950
Reimbursed Expenditures	14,804,933	5,000,000	4,664,608	5,000,000	5,000,000	5,000,000
Federal Reimbursements	122,231,555	81,199,333	81,293,421	-	-	-
Other Revenue	854,246	1,500,000	547,336	1,500,000	1,500,000	1,500,000
Transfer from Reserve Fund - Revenue Stabil	-	-	-	6,500,000	30,000,000	34,000,000
Total Non-Operating Revenues	377,232,481	330,685,381	341,459,729	272,038,785	300,719,560	310,003,950
Total Revenues	400,099,040	354,394,944	373,585,977	299,869,505	329,045,038	338,834,005
Expenditures						
Operating Expenditures						
Salaries & Overtime	140,088,330	150,098,342	146,800,073	157,017,221	161,091,738	171,491,194
Payroll Taxes & Fringes	57,388,422	58,810,762	55,136,073	56,697,891	60,200,742	60,747,498
Fuel (Diesel, CNG, Propulsion Power, Propane)	8,282,637	10,451,419	9,707,183	10,758,400	10,807,945	10,783,340
Utilities	4,639,321	4,179,636	3,572,375	4,181,320	4,217,484	4,218,408
Inventory	13,017,079	13,100,000	10,747,014	12,500,000	12,600,000	12,700,000
Services, Materials & Supplies	18,013,217	21,866,701	20,923,743	24,637,747	24,767,717	25,221,683
Purchased Transportation	7,408,279	9,150,000	8,423,677	9,150,000	9,235,850	9,322,214
Other Expenditures	5,322,050	7,100,010	5,346,038	7,447,466	6,917,313	6,928,222
Total Operating Expenditures	254,159,335	274,756,870	260,656,176	282,390,045	289,838,789	301,412,559
<i>Revenues (less Operating Expenses)</i>	<i>145,939,705</i>	<i>79,638,074</i>	<i>112,929,801</i>	<i>17,479,460</i>	<i>39,206,249</i>	<i>37,421,446</i>
Transfers to Other Funds						
Transfers to/from Insurance Fund	2,100,000	2,500,000	2,500,000	2,500,000	3,000,000	3,000,000
Transfers to/from Supplemental Pension Fun	45,000	40,000	-	-	-	-
Transfers to/from Reserve Fund	95,878,615	60,878,615	60,878,615	10,878,615	10,878,615	5,378,615
Transfers to/from Capital						
Transfers to/from Bond Retirement Fund	13,835,408	11,500,000	11,327,875	6,627,398	9,346,959	9,184,042
Transfers for Bond Defeasance	57,734,586	-	-	-	-	-
Transfers to/from Capital Improvement Func	43,398,859	44,725,757	44,725,757	21,866,868	17,074,997	17,766,354
Total Transfers to/from Capital	114,968,853	56,225,757	56,053,632	28,494,266	26,421,956	26,950,396
Total Transfers to/from Other Funds	212,992,468	119,644,372	119,432,247	41,872,881	40,300,571	35,329,011
Total Expenditures	467,151,803	394,401,242	380,088,423	324,262,926	330,139,360	336,741,570
Net Increase (Decrease)	(67,052,763)	(40,006,298)	(6,502,446)	(24,393,421)	(1,094,322)	2,092,435
Beginning Balance	132,581,757	62,360,626	62,360,626	42,560,670	18,167,249	17,072,927
Add Estimated Beginning Encumbrances	10,490,736					
Less Estimated Ending Encumbrances	(13,659,104)		(13,297,510)			
Estimated Available Ending Balance	\$ 62,360,626	\$ 22,354,328	\$ 42,560,670	\$ 18,167,249	\$ 17,072,927	\$ 19,165,362
# Months Reserves - Estimated	2.9	1.0	2.0	0.8	0.7	0.8

Figure 29

REVENUES

Revenues are received from several sources to support activities in the General Fund. In the sections ahead, the major sources of revenue are discussed.

SALES & USE TAX

The Authority's main source of revenue is a 1 % Sales and Use Tax on sales of tangible personal property and on other transactions subject to the State of Ohio Sales and Use Tax within the boundaries of Cuyahoga County. Cuyahoga County's tax rate is 8.0 % with distributions to the following entities:

GCRTA ¹	1.0%
State of Ohio	5.75%
<u>Cuyahoga County</u>	<u>1.25%</u>
Total Sales Tax	8.0%

Sales tax is administered and enforced by State taxing authorities and is distributed monthly, approximately two months following the collection of the tax by the State (three months after the tax is paid by consumers).

In 1995, the direct contribution was further defined to include the transfer to the Bond Retirement Fund. Sales tax receipts dedicated to capital improvements are reported as a fund transfer from the General Fund to the RTA Capital Fund. In the Authority's accounting records, sales tax receipts are treated as direct revenue to the RTA Capital Fund, not as a transfer.

The 2023 General Fund budget was approved on December 20, 2022. Revenues for 2023 were based on actual data through October 2022. Sales and Use Tax had strong receipts during 2022 and totaled \$255.0 million, a \$15.6 million or 6.5 % increase over 2021 actual receipts. The increase in the Sales and Use Tax revenues were due to economic recovery and federal, state, and local relief funds which improved overall spending compared to the prior year. The consumer price index increased to 6.5% during fiscal year 2022, with the higher costs for purchases also contributing more towards sales tax. Sales and Use Tax receipts are budgeted at \$259 million a 2% increase over 2022.

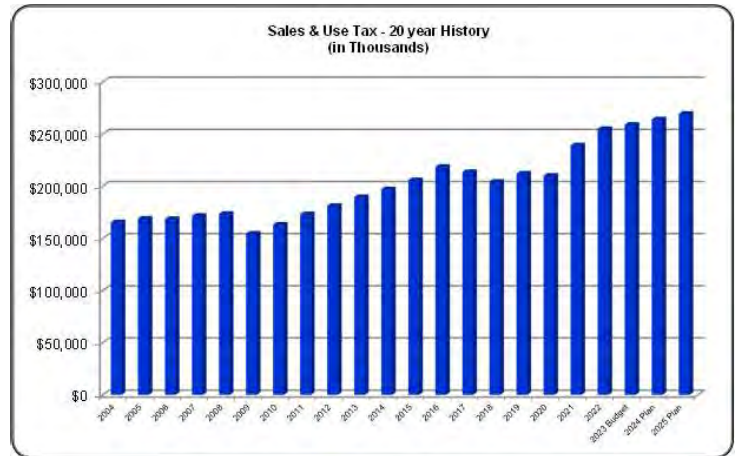


Figure 30

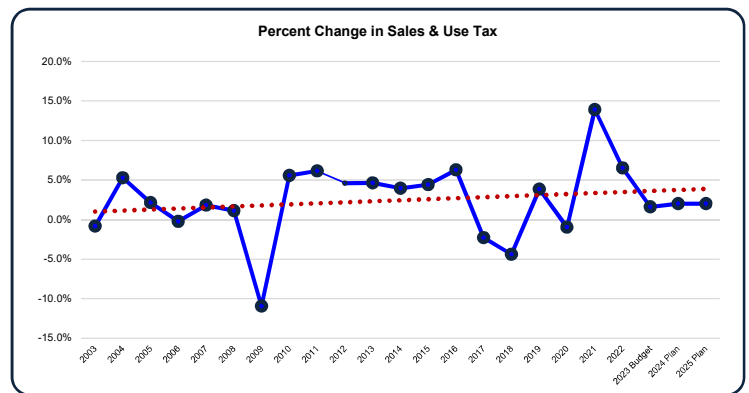


Figure 31

¹ Approved by voters in July 1975 and of unlimited duration

PASSENGER FARES

Outside of federal assistance, Passenger Fares are the second largest source of revenue for the Authority. Passenger fares consist of cash fare box revenue from Authority trains and buses, kiosks along the Redline and HealthLine, fares for Paratransit, receipts collected through the RTA CLE Mobile Ticketing App, and sales of passes and tickets from various vendors within Cuyahoga County.

Passenger fares and ridership had a slow decline over the past decade before the March, 2020 the stay-at-home orders for the

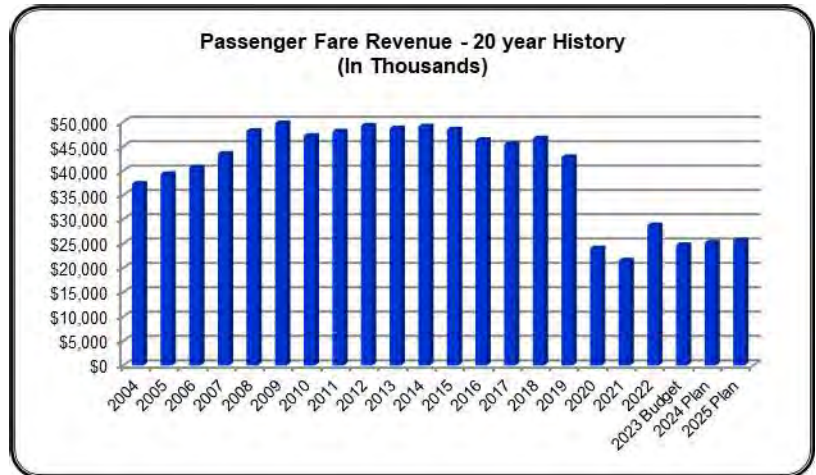


Figure 32

COVID-19 pandemic which caused ridership to immediately drop by half. The COVID-19 Public Health Emergency declaration continued through 2022, and transit ridership has seen a slow but steady return nationally and at GCRTA. Ridership dropped from approximately 32 million trips per year to less than 16 million in 2021, to more than 19 million trips in 2022. The pandemic's impact on increased remote work and altered travel habits continue to affect transit ridership. At the height of the pandemic, ridership in April through December of 2020 was only 42% of ridership the same period of 2019. Ridership has slowly started to return, and this same period in 2022 saw ridership increase to 61% of pre-pandemic levels. Ridership correlates with passenger fare revenue, and fare revenue has seen a steady increase from a low of 50% of pre-pandemic levels in 2021 or 67% of pre-pandemic levels in 2022.

RTA is projecting that 2023 ridership and passenger fare revenue will remain near 60% of pre-pandemic levels and grow two percent annually. Public transit is considered an essential business and remained open to transport essential workers to their jobs, doctor's appointments, grocery stores, or other essential areas. Even while many workers continue to work at least partially from home, public transit continues to safely connect people without raising fares.

INVESTMENT INCOME

The Authority pursues a conservative cash management and investment program to achieve reliable financial return on all available funds. Idle cash balances are invested at the best interest rates available in investments permitted by State law and RTA financial policies. Current policy permits the Investment Officer to invest idle cash in certificates of deposit or repurchase agreements with depositories designated by the Board of Trustees, in U.S. Government securities, in securities of agencies, which are guaranteed by the U.S. Government, and in the State investment pool (Star Ohio).

The Authority categorizes its fair value measurements within the fair value hierarchy established by GAAP. The Authority's cash and investments are all Level 1 which indicates that the values have been independently verified. Public depositories must provide collateral for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities the face value of which is at least 105% of the total value of

public monies on deposit at the institution, or participate in the Ohio Pooled Collateral System (OPCS). This participation in OPCS requires that the total fair value of securities pledged to be at least 102% of the deposits being secured. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement.

At the close of 2022, GCRTA's average yield on its portfolio year to date was 1.74%, which is 3 basis points above the performance standard yield of 1.71 and 16 basis points above the market average yield of 1.58%.

General Fund Investment income is budgeted at \$600,000, a decrease of 12% from 2022 estimates. Interest earned on General Fund investments varies depending upon the timing of revenue receipts, expenditures, and the transfers made to other funds (shifting interest earnings from the General Fund to other funds).

ADVERTISING & CONCESSIONS

Another source of local income are advertising & concessions. This category is composed of two subcategories: advertising and naming rights. Advertising includes visual media on/in shelters and buses. In addition to advertising on shelters and buses, RTA has the following sponsored lines that includes naming rights: Cleveland Clinic Foundation and University Hospitals for the HealthLine and area shelters; Cleveland State University for the CSU Line; MetroHealth for MetroHealth Line; and Cuyahoga Community College (Tri-C) for E. 34th Rapid Transit Station.

Revenue from advertising experienced steady growth from 2018 to 2020 but have declined since 2021 due to the economic impacts of the pandemic. In 2022, revenues are anticipated to be 41 % below 2020 actuals due to the continuing economic impacts of the pandemic. For 2023 through 2024, receipts are projected to stay at \$1.4 million.

FEDERAL OPERATING ASSISTANCE

This category includes grant reimbursements related to the capital program (project force account labor, administration, and overhead costs), fuel tax refunds on diesel and gasoline purchases in Ohio, Federal and State (capitalized) operating assistance, and federal stimulus funding related to the Coronavirus (COVID-19) pandemic. An emphasis on capital financing urges maximum use of capital grants to recover a portion of our engineering and construction costs based on time spent on a project. For capital work performed in house by RTA employees, those personnel expenses post to the General Fund operating budget, and the grant reimbursements can reimburse the General Fund for those costs. The revenue budget for these grant reimbursements get calculated based assumptions using current grant award and recent activity.

At the start of the Coronavirus (COVID-19) pandemic, the federal government provided multiple relief packages to ensure continued operation of vital public transportation. The Coronavirus Aid Relief and Economic Security Act (CARES) provided \$112 million to the Authority. In 2021, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provided \$67.4 million, and American Rescue Plan (ARP) Act provided \$ 136.1 million. Because the pandemic lockdown immediately reduced GCRTA ridership by half, this had a significant impact on passenger fare revenues, which comprised approximately 15% of General Fund revenues prior to the pandemic. The CARES, CRRSAA, and ARP funds were allocated to recipients of Federal Transit Administration. The COVID relief supplemental funds helped stabilize transit agency budgets from the loss of fare revenue so that they could maintain essential services, continue capital plans, and maintain jobs for both transit employees and riders.

REIMBURSED EXPENDITURES AND OTHER REVENUE

For FY2023 through FY2025 total reimbursements and other revenue are budgeted at \$6.5 million per year.

The total reimbursements include \$5.0 million per year for reimbursed expenditures. This includes \$1 million for Preventive Maintenance, \$2.5 million for State Fuel Tax reimbursements, \$825,000 for Reimbursed Labor, and \$675,000 for Other Reimbursements. Other Reimbursements captures miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, and salvage sales.

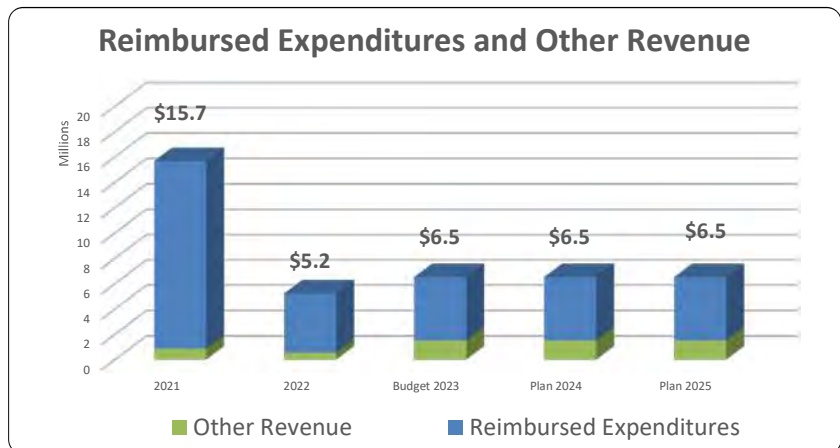


Figure 33

Preventive Maintenance (PM) is a smaller portion of reimbursed expenditures and has been a shrinking category, having decreased from \$9.1 million in 2021 to \$24,112 in 2022, and \$1.0 million per year starting in 2023. Prior year goals were to keep PM reimbursements at \$20 million or less. The Authority has made a strategic decision to transfer PM reimbursements for FY 2022-2025 to RTA Development Fund to address unfunded and under-funded capital projects. Unfunded projects total nearly \$105 million in the 2023 budget, and were \$445 million in the 2020 budget, prior to the COVID pandemic.

EXPENDITURES

The General Fund Expenditures from 2020 through 2025, and the ending balances for each year, are displayed in Figure 34. Total operating expenditures in 2022 totaled \$260.7 million, 5% less than the approved budget. The available ending balance in the General Fund totaled \$42.60 million at the end of 2022. The ending balance has decreased from \$133.6 million in 2020 primarily due to transfers to the Reserve Fund for Revenue Stabilization, which was established as a sub-fund of the Reserve Fund in late-2021 to protect against substantial decreases in revenues. Transfers to the Reserve Fund for Revenue Stabilization totaled \$85 million and \$50 million in 2021 and 2022 respectively, transfers to the Rolling Stock Reserve totaled \$10 million per year, and transfers to the 27th Pay Reserve totaled \$0.88 million per year in 2021 and 2022.

General Fund expenditures include salary and fringe benefits for 2,396.5 budgeted positions, which comprises 76% of the 2023 budgeted total operating expenditures. Salary and fringe benefits budgets include an increase of over 4%, depending on the payroll group. The non-payroll General Fund 2023 budgeted operating expenditures include Fuel (diesel, compressed natural gas, propulsion power, propane, and gasoline, nearly 4%), Utilities (nearly 2%), Inventory (4%), Services Materials & Supplies (nearly 9%), Purchased Transportation (3%), and Other Expenditures (nearly 3%). The 2023 budget for non-payroll operating expenditures has an increase of 4% compared to the 2022 budget.

In addition to the total operating expenditures, General Fund expenditures include transfers to other funds. More detail about the amounts and purposes of transfers to each fund are provided in the sections that follow. The General Fund transfers to other funds total \$41.9 million/13% of General Fund total expenditures. This is a decrease from 2022 which included a \$50 million transfer to the newly established Revenue Stabilization line of the Reserve Fund.

EMPLOYMENT LEVEL AND SERVICE

The number of positions for 2023 is budgeted at 2,396.5. Figure 39 provides brief descriptions of the employment and service level changes over the past four years.

Overall, there are 15 new positions across Operations, Finance, Innovation & Technology, and Executive divisions. Changes include additional positions for the Transit Ambassador Program that launched in late 2022 as a progressive policing and community engagement initiative. The 2023 budget eliminates of Fare Enforcement Officers and adds additional Transit Ambassadors and Crisis Intervention Specialists. The Civilian Oversight Committee was established by the Board in 2022 to provide an independent review and investigation of public complaints of alleged misconduct regarding Transit Police Department. Seven new positions were added in the 2023 budget for the Civilian Oversight Committee.

GCRTA proceeds to labor negotiations prior to the expiration date of its labor contracts. If an agreement is not reached prior to the expiration date of the contract, the contract remains in force until a new agreement is reached. The ATU contract was approved and effective from August 1, 2021, through July 31, 2024. The FOP contract was approved and effective from March 1, 2020, through February 28, 2023.

Employment Level and Service Level Changes				
FY	2020	2021	2022	2023
Positions	2,333.25	2,356.50	2,381.50	2,396.50
Net Increase (Decrease)	(0.25)	23.25	25.00	15.00
	<p>A new General Manager/CEO was selected by the Board of Trustees. A new section for Business Intelligence was created within Service Management. RTA welcomed a new Paratransit Director. Marketing and Communications department increased its Marketing Associate and Marketing Assistant positions to full-time. A new position for Senior ITS specialist was created to manage the new radio equipment on board each RTA vehicle.</p>	<p>18 new positions were added to Service Management to enable the deep cleaning of vehicles. Triskett part-time hostlers adjustment. Restructuring occurred creating two new divisions - Administration & External Affairs and Innovation and Technology. The Office of Equal Employment Opportunity has moved to Executive Division. Two operating instructors have been added.</p>	<p>18 new positions were added in 2022 across a variety of departments. These include 9 Laborers, 1 Bus/Rail Operator Trainer, 1 Dispatcher, 2 Human Resources Generalist positions, and 5 administrative positions.</p> <p>*FY2022 Budget was amended with the addition of 7 Transit Police Civilian Oversight Committee members.</p>	<p>15 new positions were added in 2023 across a variety of departments. These include 5 positions added to Transit Police, including Transit Ambassadors and Crisis Intervention Specialists; 4 additional FTEs were added for the Innovation and Technology (IT) and Information Technology Systems (ITS) departments; 2 FTEs were added to facilities for labor and cleaning; and 4 administrative FTEs were added.</p>
Budgeted Service Increase (Decrease)	(0%) Service Hours; (0%) Service Miles	(0%) Service Hours; (0%) Service Miles	(0%) Service Hours; (0%) Service Miles	(0%) Service Hours; (0%) Service Miles
	<p>2020 service budgeted to remain at 2019 hours and miles. Van pool program ended due to proposal respondents being unable to meet RTA's insurance requirements. Due to the pandemic, service was temporarily decreased 15% in April 2020.</p> <p><u>Update:</u> Service was slowly restored in August 2020 to 93% of pre-pandemic levels</p>	<p>2021 service budgeted to remain at 2020 planned hours and miles. NextGen RTA (system redesign initiative) is planned to be implemented Summer 2021 to overhaul the system improving bus frequency and connections and restore service hours to 100% pre-pandemic</p> <p><u>Update:</u> NextGen implemented June 2021</p>	<p>2022 service budgeted to remain at 2021 planned hours and miles. No service changes are projected for 2022.</p> <p><u>Update:</u> NextGen annualized. Schedule adjustments evaluated as applicable.</p>	<p>2023 service budgeted to remain at 2022 planned hours and miles. No service changes are projected for 2023.</p>

Figure 34

BOND RETIREMENT FUND

The Bond Retirement Fund accounts for resources set aside for the payment of principal and interest on debt obligations. The principal outstanding debt for the Authority totaled \$37.9 million in Sales Tax Revenue bonds at the end of 2022, which will require principal and interest payments of \$9.5 million in 2023. This is a decrease from year-end 2021 where the principal outstanding debt was \$47.5 million. GCRTA executed a bond defeasance in 2021 which eliminated approximately half of the Authority's debt obligations. The outstanding debt for the Authority has decreased from approximately \$106 million from year-end 2020. The remainder of existing debt is scheduled to expire in 2030. The debt defeasance allowed GCRTA to reduce interest payments and provide long-term financial stability. GCRTA currently does not plan on issuing any new debt in the near future.

Bond Retirement Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Transfers						
Transfer from the General Fund	\$ 13,835,408	\$ 11,500,000	\$ 11,327,875	\$ 6,627,398	\$ 9,346,959	\$ 9,184,042
Transfer from the General Fund for Defeasance	57,734,586	-	-	-	-	-
Transfer from the RTA Development Fund	-	-	-	-	-	-
Total Transfers	71,569,994	11,500,000	11,327,875	6,627,398	9,346,959	9,184,042
Other Revenues						
Bond Proceeds	-	-	-	-	-	-
Investment Income	41,268	135,000	113,067	135,000	100,000	100,000
Other Revenue	25,271	-	-	-	-	-
Total Other Revenues	66,539	135,000	113,067	135,000	100,000	100,000
Total Revenues	71,636,533	11,635,000	11,440,942	6,762,398	9,446,959	9,284,042
Expenditures						
Debt Service						
Principal	10,917,275	9,535,000	9,535,000	7,610,000	7,995,000	8,355,000
Interest	4,815,125	2,338,700	2,338,700	1,861,950	1,481,450	1,115,500
Total Debt Service	15,732,400	11,873,700	11,873,700	9,471,950	9,476,450	9,470,500
Other Expenditures						
Other Expenditures	1,500	1,500	-	1,500	1,500	1,500
Defeasance	57,734,586	-	-	-	-	-
Total Other Expenditures	57,736,086	1,500	-	1,500	1,500	1,500
Total Expenditures	73,468,486	11,875,200	11,873,700	9,473,450	9,477,950	9,472,000
Net Increase (Decrease)	(1,831,953)	(240,200)	(432,758)	(2,711,052)	(30,991)	(187,958)
Beginning Balance	5,946,363	4,114,410	4,114,410	3,681,652	970,600	939,609
Estimated Available Ending Balance	\$ 4,114,410	\$ 3,874,210	\$ 3,681,652	\$ 970,600	\$ 939,609	\$ 751,651

Figure 35

The policy of the Authority is to set aside General Fund resources to be transferred monthly to a segregated bond retirement fund in an amount sufficient to meet the current year's annual principal and semiannual interest obligations.

Every year's ending balance represents at least 1/12 of principal and 1/6 of interest of subsequent year's debt service requirement, which is set-aside on the last day of each year. Thus, the ending balance in this fund always remains relatively low.

Long-term debt for the Authority consists of Sales Tax Revenue Supported bonds. In 2023, a transfer of \$6.63 million will be required from the General Fund to cover the current overall debt service of the Authority. For 2024 through 2025, transfers of \$9.35 million and \$9.18 million, respectively, are planned.

The following chart displays the outstanding debt of the Authority and the interest and principal due each year of the schedule. The debt obligations total \$43.84 million to be paid by FY 2030 including \$37.92 million principal and \$5.94 million interest. The debt repayment schedule for FY 2023 totals \$9.47 million combined for principal and interest.

GCRTA Debt Schedule (in millions):

Debt Series	Series 2014 A		Series 2015		Series 2016		Series 2019		Total Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
FY 2023	\$ 1.61	\$ 0.22	\$ 3.70	\$ 0.80	\$ 1.25	\$ 0.35	\$ 1.05	\$ 0.50	\$ 7.61	\$ 1.86
FY 2024	\$ 1.69	\$ 0.14	\$ 3.89	\$ 0.61	\$ 1.32	\$ 0.28	\$ 1.11	\$ 0.45	\$ 8.00	\$ 1.48
FY 2025	\$ 1.74	\$ 0.09	\$ 4.08	\$ 0.42	\$ 1.38	\$ 0.22	\$ 1.16	\$ 0.39	\$ 8.36	\$ 1.12
FY 2026			\$ 4.28	\$ 0.21	\$ 1.45	\$ 0.15	\$ 1.22	\$ 0.34	\$ 6.94	\$ 0.70
FY 2027					\$ 1.52	\$ 0.08	\$ 1.28	\$ 0.28	\$ 2.80	\$ 0.35
FY 2028							\$ 1.34	\$ 0.21	\$ 1.34	\$ 0.21
FY 2029							\$ 1.41	\$ 0.14	\$ 1.41	\$ 0.14
FY 2030							\$ 1.48	\$ 0.07	\$ 1.48	\$ 0.07
Total	\$ 5.04	\$ 0.44	\$ 15.94	\$ 2.04	\$ 6.91	\$ 1.07	\$ 10.03	\$ 2.38	\$ 37.92	\$ 5.94
Total Debt		\$ 5.48		\$ 17.97		\$ 7.98		\$ 12.41		\$ 43.85

Figure 36

INSURANCE FUND

The Insurance Fund is used to protect the Authority against catastrophic or extraordinary losses. The Authority is currently self-insured in all areas except personal property and equipment.

Insurance Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Transfer from General Fund	\$ 2,100,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000
Investment Income	15,760	35,000	100,870	35,000	35,000	35,000
Other Revenue	-	-	-	-	-	-
Total Revenues	2,115,760	2,535,000	2,600,870	2,535,000	3,035,000	3,035,000
Expenditures						
Claims and Premium Outlay	1,782,355	2,993,000	2,993,000	3,049,000	3,000,000	3,100,000
Other Expenditures	-	-	-	-	-	-
Total Expenditures	1,782,355	2,993,000	2,993,000	3,049,000	3,000,000	3,100,000
Net Increase (Decrease)	333,405	(458,000)	(392,130)	(514,000)	35,000	(65,000)
Beginning Balance	5,827,793	5,482,178	6,161,198	5,703,198	5,189,198	5,224,198
Add Estimated Beginning Encumbrances	-	-	-	-	-	-
Less Estimated Ending Encumbrances	-	-	-	-	-	-
Estimated Available Ending Balance	\$ 6,161,198	\$ 5,024,178	\$ 5,769,068	\$ 5,189,198	\$ 5,224,198	\$ 5,159,198

Figure 37

In 2021 a transfer of \$2.1 million was needed to meet industry-wide premium increases while maintaining the \$5.0 million ending balance. In 2022 a transfer of \$2.5 million was needed for increased premium rates and to maintain the \$5.0 million ending balance.

For 2023, a transfer of \$2.5 million is budgeted. For 2024 and 2025, a transfer of \$3.0 million is budgeted each year.

According to the Authority’s financial policies, the required minimum balance of the Insurance Fund is identified by the Risk Manager and insurance providers. Currently, the required minimum balance is \$5 million. For FY2023, expenditures are budgeted at \$3.05 million. The ending balance is budgeted at \$5.19 million, meeting the minimum requirement.

SUPPLEMENTAL PENSION FUND

The Supplemental Pension Fund (Pension/Deferred Compensation Trust and Agency Fund) was established to account for assets held by the Authority in a trustee capacity for payments of benefits relating primarily to certain retired employees of the Authority and its predecessor transit systems.

Supplemental Pension Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Transfer from General Fund	\$ 45,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -
Investment Income	1,012	1,100	21,109	1,100	1,100	1,100
Other Revenue	-	-	-	-	-	-
Total Revenues	46,012	41,100	21,109	1,100	1,100	1,100
Expenditures						
Benefit Payments	8,391	9,000	7,939	9,000	9,000	9,000
Other expenditures	-	-	-	-	-	-
Total Expenditures	8,391	9,000	7,939	9,000	9,000	9,000
Net Increase (Decrease)	37,621	32,100	13,170	(7,900)	(7,900)	(7,900)
Beginning Balance	1,288,956	1,326,577	1,326,577	1,339,747	1,331,847	1,323,947
Estimated Available Ending Balance	\$ 1,326,577	\$ 1,358,677	\$ 1,339,747	\$ 1,331,847	\$ 1,323,947	\$ 1,316,047

Figure 38

An actuarial evaluation is performed every two years to assess the adequacy of the fund balance with the last study being completed in 2021.

For 2023, a transfer of \$0 is budgeted. The planned transfers will remain at \$0 for years 2024 and 2025. For 2023, expenditures of \$9,000 are budgeted. Expenditures are planned to remain at \$9,000 for 2024 and 2025.

LAW ENFORCEMENT FUND

In 1988, RTA became involved with the Northern Ohio Law Enforcement Task Force (NOLETF), a multi-jurisdictional force (formerly known as the Caribbean/ Gang Task Force). In 2021 the task force was renamed to the FBI Cleveland Transnational Organized Crime Western Hemisphere Task Force. The Authority's involvement with this task force stems from organized crime activity occurring within transportation systems. In addition to the benefits of intelligence gathering and improved inter-department relations, the GCRTA derives revenue from seized and confiscated monies and/or properties of convicted criminals prosecuted by the Task Force.

Law Enforcement Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Law Enforcement Revenue	\$ 103,257	\$ 20,000	\$ 43,295	\$ 5,000	\$ 20,000	\$ 5,000
Law Enforcement Training Revenue	-	-	-	-	-	-
Investment Income	41	2,000	1,509	50	50	50
Other Revenue	-	-	-	-	-	-
Total Revenues	103,298	22,000	44,804	5,050	20,050	5,050
Expenditures						
Capital & Related Expenditures	4,677	25,000	29,156	20,000	20,000	15,000
Training Expenditures	-	-	-	-	-	-
Total Expenditures	4,677	25,000	29,156	20,000	20,000	15,000
Net Increase (Decrease)	98,621	(3,000)	15,648	(14,950)	50	(9,950)
Beginning Balance	57,550	156,171	156,171	171,819	156,869	156,919
Estimated Available Ending Balance	\$ 156,171	\$ 153,171	\$ 171,819	\$ 156,869	\$ 156,919	\$ 146,969

Figure 39

Revenue obtained through the Task Force can be expended for non-budgeted police items. The Authority primarily uses these proceeds for unbudgeted items. Certain guidelines have been instituted by the State Attorney General's Office for the reporting and disbursement of funds.

Expenditures within this fund have varied over the years, depending upon the levels of revenue obtained through the Task Force. These expenditures provide the Authority with security items, protective equipment, and technical training equipment.

For 2023, total revenues are budgeted at \$5,050. The planned revenue budget will increase to \$20,050 for year 2024 and return to \$5,050 for 2025. For 2023, expenditures of \$20,000 are budgeted. Expenditures are planned to remain at \$20,000 for year 2024 and decrease to \$15,000 for 2025.

RESERVE FUND

In 2017, the Authority created a Reserve Fund to set aside funding for cost increases in fuel and hospitalization, increases in compensated absences, prepare for the 27th pay period that occurs every 11 years for each pay group, and reserve local funding needed for rolling stock replacement, specifically, rail cars in 2021 through 2025. In 2021, the Authority added a sub-fund for Revenue Stabilization.

The amount of transfers needed are based upon specific goals:

- Fuel Reserve: Annual savings resulting when expenditures are less than budget
- Hospitalization Reserve: Not exceed 10% of annual hospitalization costs
- Compensated Absence Reserve: Not exceed 25% of estimated payments
- 27th Pay Reserve: 1/12th of Annual 27th Pay costs for each of the hourly and salary payrolls
- Rolling Stock Replacement: Goal is to transfer funding each year to cover costs of aging revenue vehicles
- Reserve for Revenue Stabilization: Protect against substantial decreases in revenues. Transferred to General Fund when needed to maintain a one-month ending balance

Reserve Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Estimate	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Transfers						
Transfer from GF for Compensated Absences	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from GF for Fuel	-	-	-	-	-	-
Transfer from GF for Hospitalization	-	-	-	-	-	-
Transfer from GF for Rolling Stock Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Transfer from GF for 27th Pay	878,615	878,615	878,615	878,615	878,615	878,615
Transfer from GF for Revenue Stabilization	85,000,000	-	50,000,000	-	-	-
Total Transfers	95,878,615	10,878,615	60,878,615	10,878,615	10,878,615	10,878,615
Other Revenue						
Investment Income	118,015	625,000	625,000	500,000	400,000	200,000
Other Revenue	-	-	-	-	-	-
Total Other Revenue	118,015	625,000	625,000	500,000	400,000	200,000
Total Revenues	95,996,630	11,503,615	61,503,615	11,378,615	11,278,615	11,078,615
Expenditures						
Transfers						
Transfer to GF for Compensated Absences	-	-	-	-	-	-
Transfer to GF for Fuel	-	-	-	-	-	-
Transfer to GF for Hospitalization	-	-	-	-	-	-
Transfer to RTA Development Fund for Rolling Stock Reserve	49,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Transfer to GF for 27th Pay	-	-	-	-	-	5,500,000
Transfer to GF for Revenue Stabilization	-	-	-	6,500,000	30,000,000	34,000,000
Total Transfers	49,000,000	10,000,000	10,000,000	16,500,000	40,000,000	49,500,000
Other Expenditures	-	-	-	-	-	-
Total Expenditures	49,000,000	10,000,000	10,000,000	16,500,000	40,000,000	49,500,000
Net Increase (Decrease)	46,996,630	1,503,615	51,503,615	(5,121,385)	(28,721,385)	(38,421,385)
Beginning Balance	51,601,958	100,401,693	98,598,588	150,102,203	144,980,818	116,259,433
Estimated Available Ending Balance	\$ 98,598,588	\$ 101,905,308	\$ 150,102,203	\$ 144,980,818	\$ 116,259,433	\$ 77,838,048

Figure 40

Once a reserve has met the goal, no additional transfers are required. During a budget year, if expenses exceed the budget, funding can be transferred from one Reserve Fund sub-account to another or back to the General Fund. In 2022 \$50 million was transferred to the Reserve Fund for Revenue Stabilization, \$10 million for Rolling Stock Reserve, and \$0.88 million for the 27th Pay Reserve. Additionally, \$10 million was transferred from the Reserve Fund to the RTA Development Fund for Rolling Stock. For 2023, transfers of \$10 million to Rolling Stock and \$0.88 million to 27th Pay Reserve are budgeted. The Rolling Stock Reserve gets used to systematically replace agenting revenue vehicles, and the 27th Pay Reserve gets used for the one additional pay period that occurs for each pay group roughly every 11 years. Transfers to the Reserve Fund are planned to remain at these amounts for years 2024 and 2025 as well. For 2023 \$10 million is budgeted to be transferred from the Reserve Fund to RTA Development

Fund for Rolling Stock and \$6.5 million is budgeted to be transferred to the General Fund for Revenue Stabilization to protect against substantial decreases in revenues. For 2024 \$10 million is budgeted to be transferred from the Reserve Fund to RTA Development Fund for Rolling Stock for scheduled vehicle replacement and \$30 million is budgeted to be transferred to the General Fund for Revenue Stabilization. For 2025 \$10 million is budgeted to be transferred from the Reserve Fund to RTA Development Fund for Rolling Stock, \$5.5 million is budgeted to be transferred from the 27th Pay Reserve to the General Fund for a 27th Pay scheduled that year, and \$34 million is budgeted to be transferred to the General Fund for Revenue Stabilization.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Rolling Balances					
Compensated Absences	3,727,185	3,780,451	3,792,978	3,803,387	3,809,886
Fuel	2,630,218	2,667,807	2,676,647	2,683,993	2,688,579
Hospitalization	2,692,710	2,731,192	2,740,243	2,747,762	2,752,458
Rolling Sck Reserve	713,983	724,187	726,586	728,580	729,825
27th Pay	3,832,298	4,765,681	5,660,088	6,554,236	1,944,051
Revenue Stabilization	85,000,000	136,214,746	130,166,135	100,523,335	66,695,109
Total	98,596,394	150,884,063	145,762,678	117,041,293	78,619,908

Figure 41

CAPITAL IMPROVEMENT FUND

The Authority's Capital Improvement Fund is used to account for the acquisition, construction, replacement, repair, and rehabilitation of major capital facilities and equipment. The Capital Improvement Plan is composed of both grant- and 100% locally funded projects.

All capital projects are included in one of two funds: the RTA Development Fund and the RTA Capital Fund, identified below.

Generally, projects in the **RTA Development Fund** are greater than \$150,000, have a useful life greater than five years, and are predominantly, although not exclusively, supported through grant awards. Projects from the Authority's Long-Range Plan are included in this area.

Capital projects included in the **RTA Capital Fund** are generally less than \$150,000, have a useful life between 1 and 5 years, are routine in nature, and in many cases relate directly to daily operations. The RTA Capital Fund is 100% locally funded through local dollars in the form of Sales & Use Tax revenue contributions.

Detailed discussions of the fund balances in the RTA Capital and RTA Development funds are presented in the Capital Improvement Plan (CIP) section.

RTA Development Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Federal / State Revenues						
Federal Capital Grants	\$ 87,419,866	\$ 106,109,296	\$ 117,835,497	\$ 64,062,635	\$ 65,652,635	\$ 65,652,635
Federal Assistance	122,231,555	81,199,333	81,293,421	-	-	-
State Capital Grants	-	10,136,598	3,718,546	19,336,598	19,336,598	19,336,598
Total Federal / State Revenues	209,651,421	197,445,227	202,847,464	83,399,233	84,989,233	84,989,233
Other Revenue						
Debt Service Proceeds	-	-	-	-	-	-
Investment Income	115,033	200,000	1,883,389	200,000	200,000	700,000
Other Revenue	5,204,841	-	13,513,332	24,225,000	35,891,286	34,500,000
Total Other Revenue	5,319,874	200,000	15,396,721	24,425,000	36,091,286	35,200,000
Transfers						
Transfer from RTA Routine Capital	37,878,174	48,000,000	43,228,465	19,500,000	13,500,000	13,500,000
Transfer from Reserve Fund	49,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Transfers	86,878,174	58,000,000	53,228,465	29,500,000	23,500,000	23,500,000
Total Revenue	301,849,469	255,645,227	271,472,650	137,324,233	144,580,519	143,689,233
Expenditures						
Capital Outlay						
Capital Outlay - Development Fund	68,940,326	132,636,620	41,096,925	135,930,660	146,868,368	145,010,685
Total Capital Outlay	68,940,326	132,636,620	41,096,925	135,930,660	146,868,368	145,010,685
Other Capital Expenditures						
Federal Assistance	122,231,555	81,199,333	81,293,421	-	-	-
Other Expenditures	-	-	-	-	-	-
Total Other Capital Expenditures	122,231,555	81,199,333	81,293,421	-	-	-
Total Expenditures	191,171,881	213,835,953	122,390,346	135,930,660	146,868,368	145,010,685
Net Increase (Decrease)	110,677,588	41,809,274	149,082,304	1,393,573	(2,287,849)	(1,321,452)
Beginning Balance	28,926,433	17,874,552	139,604,021	288,686,325	290,079,898	287,792,049
Estimated Available Ending Balance	\$ 139,604,021	\$ 59,683,826	\$ 288,686,325	\$ 290,079,898	\$ 287,792,049	\$ 286,470,597

Figure 42

Capital Improvement Fund Balance Analysis

	FY 2021 Actual	FY 2022 Budget	FY 2022 Actual	FY 2023 Budget	FY 2024 Plan	FY 2025 Plan
Revenues						
Federal / State Revenues						
Federal Capital Grants	\$ 87,419,866	\$ 106,109,296	\$ 117,835,497	\$ 64,062,635	\$ 65,652,635	\$ 65,652,635
Federal Assistance	122,231,555	81,199,333	81,293,421	-	-	-
State Capital Grants	-	10,136,598	3,718,546	19,336,598	19,336,598	19,336,598
Total Federal / State Revenues	209,651,421	197,445,227	202,847,464	83,399,233	84,989,233	84,989,233
Other Revenue						
Debt Service Proceeds	-	-	-	-	-	-
Investment Income	118,933	265,000	2,024,734	265,000	265,000	765,000
Other Revenue	6,587,238	-	13,513,332	24,225,000	35,891,286	34,500,000
Total Other Revenue	6,706,171	265,000	15,538,066	24,490,000	36,156,286	35,265,000
Transfers						
Transfer from General Fund	43,398,859	44,725,757	44,725,757	21,866,868	17,074,997	17,766,354
Transfer from Reserve Fund	49,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Transfers	92,398,859	54,725,757	54,725,757	31,866,868	27,074,997	27,766,354
Total Revenue	308,756,451	252,435,984	273,111,287	139,756,101	148,220,516	148,020,587
Expenditures						
Capital Outlay						
Capital Outlay - Development Fund	68,940,326	132,636,620	41,096,925	135,930,660	146,868,368	145,010,685
Asset Maintenance	845,099	2,455,000	1,581,000	2,410,000	2,310,000	2,410,000
Routine Capital	651,528	1,743,000	1,582,818	1,637,734	1,698,921	1,607,524
Total Capital Outlay	70,436,953	136,834,620	44,260,743	139,978,394	150,877,289	149,028,209
Other Capital Expenditures						
Federal Assistance	122,231,555	81,199,333	81,293,421	-	-	-
Other Expenditures	-	-	-	-	-	-
Total Other Capital Expenditures	122,231,555	81,199,333	81,293,421	-	-	-
Total Expenditures	192,668,508	218,033,953	125,554,164	139,978,394	150,877,289	149,028,209
Net Increase (Decrease)	116,087,943	34,402,031	147,557,123	(22,293)	(2,656,773)	(1,007,622)
Beginning Balance	32,437,293	35,851,198	148,525,236	296,082,359	295,860,066	293,203,293
Estimated Available Ending Balance	\$ 148,525,236	\$ 70,253,229	\$ 296,082,359	\$ 295,860,066	\$ 293,203,293	\$ 292,195,671

Figure 43

CAPITAL REVENUES

RTA Development Fund

The Authority receives various capital grants from the Federal Transit Administration (FTA). The grants include formula allocations to urban areas and grants apportioned based on a formula to help maintain assets in a State of Good Repair. Funds are requested from FTA, as needed, to meet obligations, via wire transfer. The timing of the receipt of federal capital revenue is directly related to costs invoiced by contractors/vendors, since these funds must be disbursed within three days after receipt. FTA grants normally cover 80% of project costs with the remaining 20% share being absorbed by the Authority's local match revenue, which consists of sales and use tax receipts or bond issuances. In some cases, FTA grants, such as the Coronavirus Aid Relief and Economic Security Act (CARES), Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act and American Rescue Plan (ARP) are awarded with a 100 % Federal share. State capital assistance has in the past been seen in the form of State capital grants from the Ohio Department of Transportation (ODOT), the Ohio Transit Partnership Program (OTP 2), and Ohio Transit Preservation Partnership Program (OTP 3). The Authority also receives non-formula competitive grant awards and earmark grants for specific projects and continues to seek supplemental funds as opportunities become available.

Capital Improvement Fund

The RTA Capital Fund was established in 1988 and funded with Sales & Use Tax proceeds. The Board's current policy goal is a minimum of 10% contribution to capital from Sales Tax revenues. Interest earned on the investment of these Sales & Use Tax proceeds is the only other income credited to the RTA Capital Fund. The Authority's local contribution to its capital program is captured by transfers within the General Fund to the RTA Capital Fund and the transfer to the Bond Retirement Fund.

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