

2024 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.

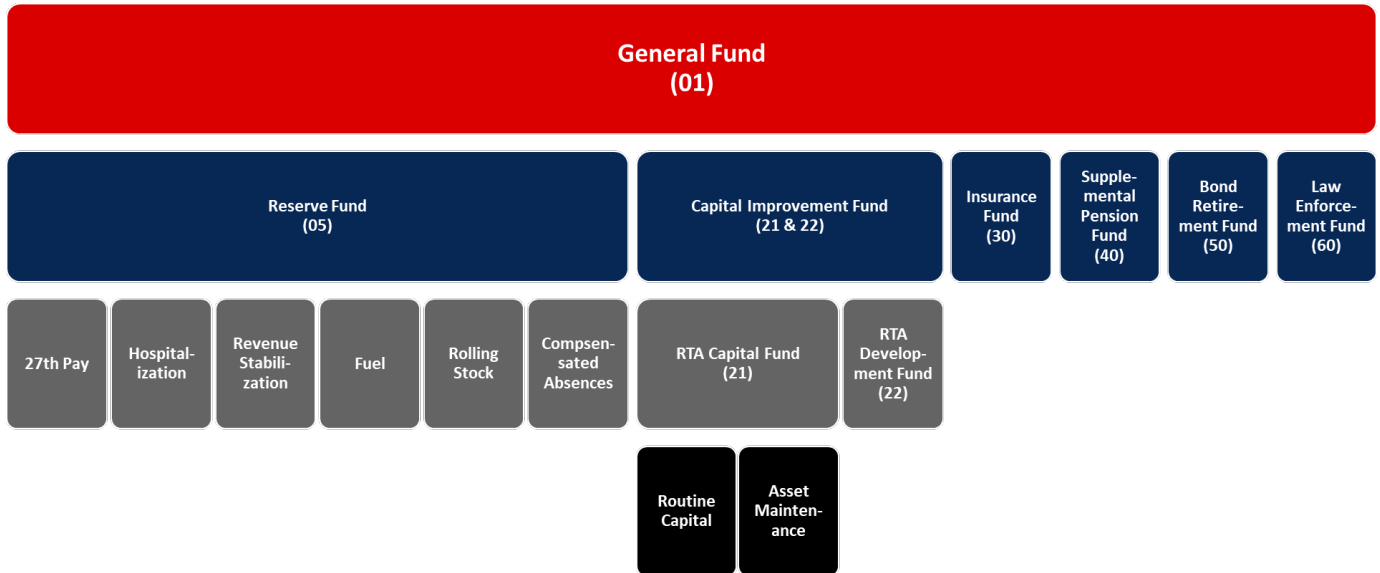


Figure 27

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 Available Ending Balance (also referred to as **Fund Balance**) for the fund statements represents 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)***

ALL FUNDS

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

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

Since the COVID-19 Pandemic lockdown, and with Federal assistance, the Authority has been steadily increasing its ending balance. GCRTA has been diligent in creating a sustainable budget. The Authority's 2024 All Funds forecast \$424.4 million in available ending balance.

All Funds Balance Analysis

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Operating Revenues						
Passenger Fares	\$ 28,761,449	\$ 24,683,669	\$ 27,574,362	\$ 27,100,000	\$ 27,650,000	\$ 28,200,000
Advertising & Concessions	2,056,186	2,061,751	1,257,183	2,061,751	2,061,751	2,061,751
Naming Rights	416,863	485,300	533,098	485,300	485,300	485,300
Investment Income	4,562,093	1,536,150	17,067,024	6,345,000	5,035,000	3,885,000
Total Operating Revenues	35,796,591	28,766,870	46,431,667	35,992,051	35,232,051	34,632,051
Non-Operating Revenues						
Sales & Use Tax	254,954,364	259,038,785	261,817,712	268,300,000	273,650,000	279,100,000
Reimbursed Expenditures	4,664,608	5,000,000	6,174,609	5,000,000	5,000,000	5,000,000
Federal Reimbursements	81,293,421	-	-	-	-	-
Federal Revenue	37,378,379	64,062,635	53,677,554	71,876,582	72,393,400	48,219,950
State Revenue	3,718,546	19,336,598	128,200	41,116,997	66,345,747	45,170,747
Other Non-Operating Revenue	14,103,963	25,730,000	713,104	28,040,794	36,015,000	26,515,000
Bond Proceeds	-	-	-	-	-	-
Total Non-Operating Revenues	396,113,281	373,168,018	322,511,179	414,334,373	453,404,147	404,005,697
Total Revenues	431,909,872	401,934,888	368,942,846	450,326,424	488,636,198	438,637,748
Expenditures						
Operating Expenditures						
Salaries & Overtime	146,800,073	157,017,221	157,916,814	164,283,362	173,584,980	175,496,000
Payroll Taxes & Fringes	55,136,073	56,697,891	53,382,216	57,564,329	60,747,498	61,423,600
Fuel (Diesel, CNG, Propulsion Power, Propane, Gasoline)	9,707,183	10,758,400	8,482,082	9,683,400	9,780,234	9,878,036
Utilities	3,572,375	4,181,320	3,847,587	3,964,200	4,003,842	4,043,880
Inventory	10,747,014	12,500,000	13,789,021	13,000,000	13,000,000	13,000,000
Services, Materials & Supplies	20,923,743	24,637,747	23,167,868	25,938,982	26,068,677	26,199,020
Purchased Transportation	8,423,677	9,150,000	10,334,733	11,533,644	11,591,312	11,649,269
Other Expenditures	5,346,038	7,447,466	6,016,902	7,669,043	7,676,712	7,684,389
Total Operating Expenditures	260,656,176	282,390,045	276,937,223	293,636,960	306,453,255	309,374,195
Non-Operating Expenditures						
Capital Outlay	44,165,089	139,978,394	73,731,757	146,274,914	177,533,291	149,912,050
Debt Service	11,873,700	9,471,950	9,471,950	9,476,450	9,470,500	7,632,750
Other Expenditures	3,030,095	3,139,500	2,319,867	3,113,500	3,135,500	3,135,500
Total Non-Operating Expenditures	59,068,884	152,589,844	85,523,574	158,864,864	190,139,291	160,680,300
Total Expenditures	319,725,060	434,979,889	362,460,797	452,501,824	496,592,546	470,054,495
Net Increase (Decrease)	112,184,812	(33,045,001)	6,482,049	(2,175,400)	(7,956,348)	(31,416,747)
Beginning Balance	321,240,614	420,062,045	420,127,915	426,609,964	424,434,564	416,478,216
Add Estimated Beginning Encumbrances	-	-	-	-	-	-
Less Estimated Ending Encumbrances	(13,297,511)	-	(11,369,192)	-	-	-
Estimated Available Ending Balance	\$ 420,127,915	\$ 387,017,044	\$ 415,240,772	\$ 424,434,564	\$ 416,478,216	\$ 385,061,469

2024 Funds Budget 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	\$ 27,100,000								\$ 27,100,000
Advertising & Concessions	2,061,751								2,061,751
Naming Rights	485,300								485,300
Investment Income	1,000,000	\$ 1,000,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 40,000	\$ 5,000	\$ 4,000,000	6,345,000
Total Operating Revenues	30,647,051	1,000,000	100,000	100,000	100,000	40,000	5,000	4,000,000	35,992,051
Non-Operating Revenues									
Sales & Use Tax	268,300,000								268,300,000
Reimbursed Expenditures	5,000,000								5,000,000
Federal		71,876,582							71,876,582
State		41,116,997							41,116,997
Bond Proceeds									
Other Non-Operating Revenue	1,500,000	26,520,794					20,000		28,040,794
Total Non-Operating Revenues	274,800,000	139,514,373					20,000		414,334,373
Transfers									
Transfer from General Fund			17,483,041	9,346,959	2,500,000			10,878,615	
Transfer from RTA Capital Fund		14,500,000							
Transfer from Reserve Fund									
For Compensated Absences									
For Fuel									
For Hospitalization									
For Rolling Stock Reserve		10,000,000							
For 27th Pay									
For Revenue Stabilization	30,000,000								
Total Transfers	30,000,000	24,500,000	17,483,041	9,346,959	2,500,000	-	-	10,878,615	
Total Revenues	335,447,051	165,014,373	17,583,041	9,446,959	2,600,000	40,000	25,000	14,878,615	450,326,424
Expenditures									
Operating Expenditures									
Salaries & Overtime	164,283,362								164,283,362
Payroll Taxes & Fringes	57,564,329								57,564,329
Fuel (Diesel, CNG, Propulsion Power, Propane, Gasoline)	9,683,400								9,683,400
Utilities	3,964,200								3,964,200
Inventory	13,000,000								13,000,000
Services, Materials & Supplies	25,938,982								25,938,982
Purchased Transportation	11,533,644								11,533,644
Other Expenditures	7,669,043								7,669,043
Total Operating Expenditures	293,636,960								293,636,960
Non-Operating Expenditures									
Capital Outlay		142,245,993	4,028,921						146,274,914
Debt Service (Principal & Interest)				9,476,450					9,476,450
Other Expenditures				1,500	3,078,000	9,000	25,000		3,113,500
Total Non-Operating Expenditures	-	142,245,993	4,028,921	9,477,950	3,078,000	9,000	25,000	-	158,864,864
Sub-Total Expenditures	293,636,960	142,245,993	4,028,921	9,477,950	3,078,000	9,000	25,000	-	452,501,824
Revenues less Expenditures	41,810,091	22,768,380	13,554,120	(30,991)	(478,000)	31,000	-	14,878,615	(2,175,400)
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	9,346,959								
Transfer to RTA Capital Fund	17,483,041								
Transfer to RTA Development Fund			14,500,000						
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								30,000,000	
Total Transfers to Other Funds	40,208,615		14,500,000					40,000,000	
Total Expenditures	333,845,575	142,245,993	18,528,921	9,477,950	3,078,000	9,000	25,000	40,000,000	452,501,824
Net Increase (Decrease)	1,601,476	22,768,380	(945,880)	(30,991)	(478,000)	31,000	-	(25,121,385)	(2,175,400)
Beginning Balance	22,799,039	225,462,610	7,810,952	1,184,825	6,557,040	1,405,325	351,321	161,038,852	426,609,964
Available Ending Balance	\$ 24,400,515	\$ 248,230,990	\$ 6,865,072	\$ 1,153,834	\$ 6,079,040	\$ 1,436,325	\$ 351,321	\$ 135,917,467	\$ 424,434,564

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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Operating Revenues						
Passenger Fares	\$ 28,761,449	\$ 24,683,669	\$ 27,574,362	\$ 27,100,000	\$ 27,650,000	\$ 28,200,000
Advertising & Concessions	2,056,186	2,061,751	1,257,183	2,061,751	2,061,751	2,061,751
Naming Rights	416,863	485,300	533,098	485,300	485,300	485,300
Investment Income	891,750	600,000	1,691,508	1,000,000	700,000	600,000
Total Operating Revenues	32,126,248	27,830,720	31,056,151	30,647,051	30,897,051	31,347,051
Non-Operating Revenues						
Sales & Use Tax	254,954,364	259,038,785	261,817,712	268,300,000	273,650,000	279,100,000
Reimbursed Expenditures	4,664,608	5,000,000	6,174,609	5,000,000	5,000,000	5,000,000
Federal Reimbursements	81,293,421	-	-	-	-	-
Other Non-Operating Revenue	547,336	1,500,000	-	1,500,000	1,500,000	1,500,000
Transfer from Reserve Fund - Revenue Stabilization	-	6,500,000	-	30,000,000	35,000,000	34,300,000
Total Non-Operating Revenues	341,459,729	272,038,785	267,992,321	304,800,000	315,150,000	319,900,000
Total Revenues	373,585,977	299,869,505	299,048,472	335,447,051	346,047,051	351,247,051
Expenditures						
Operating Expenditures						
Salaries & Overtime	146,800,073	157,017,221	157,916,814	164,283,362	173,584,980	175,496,000
Payroll Taxes & Fringes	55,136,073	56,697,891	53,382,216	57,564,329	60,747,498	61,423,600
Fuel (Diesel, CNG, Propulsion Power, Propane, Gasoline)	9,707,183	10,758,400	8,482,082	9,683,400	9,780,234	9,878,036
Utilities	3,572,375	4,181,320	3,847,587	3,964,200	4,003,842	4,043,880
Inventory	10,747,014	12,500,000	13,789,021	13,000,000	13,000,000	13,000,000
Services, Materials & Supplies	20,923,743	24,637,747	23,167,868	25,938,982	26,068,677	26,199,020
Purchased Transportation	8,423,677	9,150,000	10,334,733	11,533,644	11,591,312	11,649,269
Other Expenditures	5,346,038	7,447,466	6,016,902	7,669,043	7,676,712	7,684,389
Total Operating Expenditures	260,656,176	282,390,045	276,937,223	293,636,960	306,453,255	309,374,195
Revenues less Operating Expenses	112,929,801	17,479,460	22,111,249	41,810,091	39,593,796	41,872,856
Transfers to Other Funds						
Transfers to/from Insurance Fund	2,500,000	2,500,000	2,500,000	2,500,000	3,000,000	3,000,000
Transfers to/from Reserve Fund	60,878,615	10,878,615	10,878,615	10,878,615	6,378,615	10,878,615
Transfers to/from Capital						
Transfers to/from Bond Retirement Fund	11,327,875	6,627,398	6,627,398	9,346,959	9,184,042	7,134,061
Transfers to/from Capital Improvement Fund	44,725,757	21,866,868	21,866,868	17,483,041	18,180,958	20,775,939
Total Transfers to/from Capital	56,053,632	28,494,266	28,494,266	26,830,000	27,365,000	27,910,000
Total Transfers to/from Other Funds	119,432,247	41,872,881	41,872,881	40,208,615	36,743,615	41,788,615
Total Expenditures	380,088,423	324,262,926	318,810,104	333,845,575	343,196,870	351,162,810
Net Increase (Decrease)	(6,502,446)	(24,393,421)	(19,761,632)	1,601,476	2,850,181	84,241
Beginning Balance	62,360,628	42,560,671	42,560,671	22,799,039	24,400,515	27,250,696
Add Estimated Beginning Encumbrances						
Projected Ending Balance	\$ 55,858,182	\$ 18,167,250	\$ 22,799,039	\$ 24,400,515	\$ 27,250,696	\$ 27,334,938
# Months Reserves - Estimated	2.6	0.8	1.0	1.0	1.1	1.1

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%

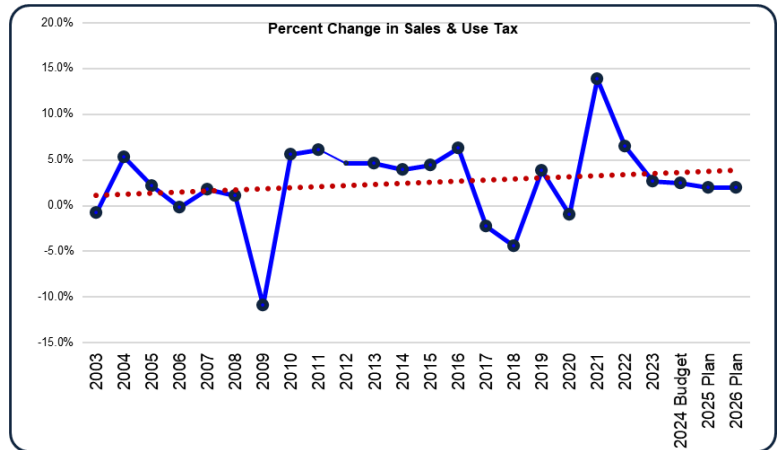


Figure 30

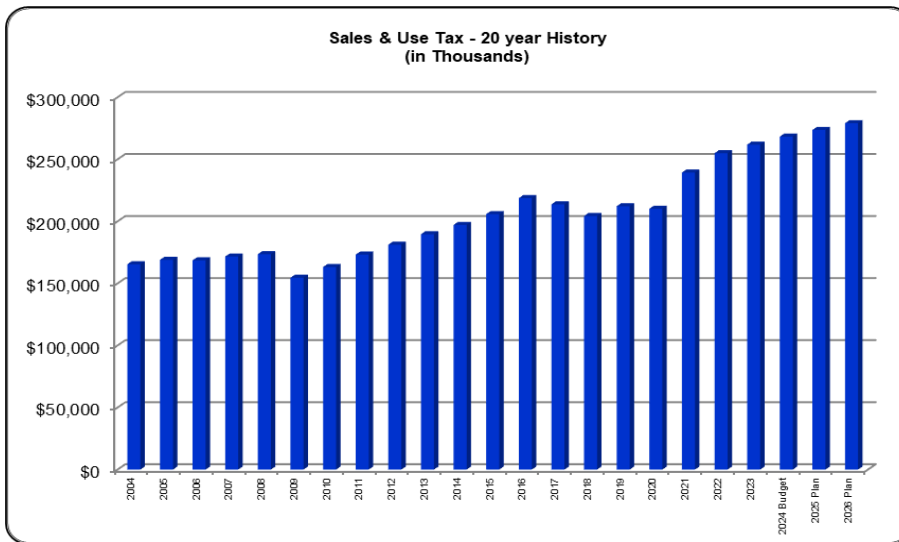


Figure 31

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 2024 General Fund budget was approved on December 19, 2023. Revenues budgeted for 2024 were based on actual data through October 2023. Sales and Use Tax receipts totaled \$261.8 million, a \$6.9 million or 2.7 % increase over 2022 actual receipts. The increase in the Sales and Use Tax revenues builds on the 6.5 % increase that occurred in 2023 due to the economic recovery and inflation. The consumer price index ended 2023 at 3.4% down from

¹ Approved by voters in July 1975 and of unlimited duration

6.5% one year prior. Sales and Use Tax receipts are budgeted at \$268.3 million a 2.5% increase over 2023 total of \$261.8 million.

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 decade before the 2020 start of the 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. In 2023, ridership rose to more than 22.4 million trips.

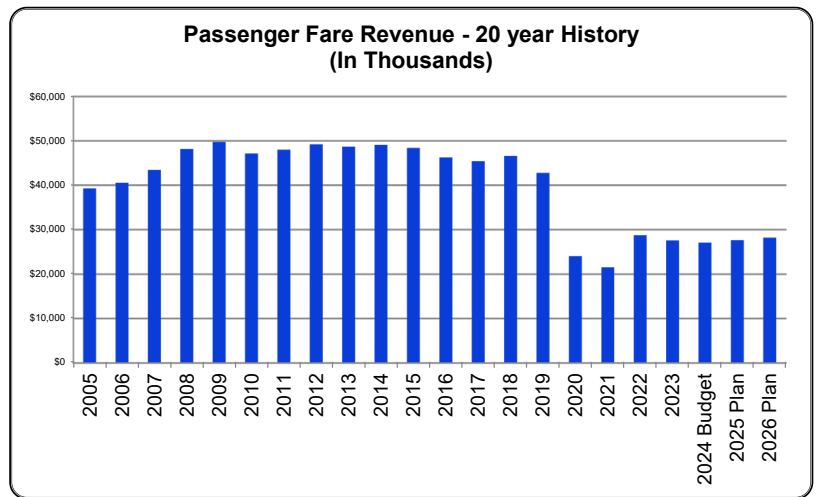


Figure 32

The pandemic’s impact on increased remote work and altered travel habits continues 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 continues to slowly return at similar rates as are seen nationally by transit authorities, 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 to 64% of pre-pandemic levels in 2023. Ridership increased 19% in 2023 compared to the prior year, however passenger fare revenue decreased 4% from 2022 due to the timing of reimbursements for student fares from K-12 schools and universities.

GCRTA is projecting that 2024 ridership and passenger fare revenue will grow two percent annually. Even while many workers continue to work at least partially from home, public transit continues to safely connect people with employment, medical appointments, grocery stores, and other essential services 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 GCRTA 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 2023, GCRTA's average yield on its portfolio year to date was 4.25%, which is 79 basis points below the performance standard yield of 5.04 and 70 basis points below the market average yield of 4.95%.

General Fund Investment income is budgeted at \$1,000,000. 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

Additional sources of local incomes are advertising and concessions. This category is composed of two subcategories: advertising and naming rights. Advertising includes visual media on/in shelters and buses. In addition, GCRTA 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 fluctuates from year to year. In 2023, revenues totaled \$1.3 million and are budgeted at \$2.1 million in 2024.

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. An emphasis on capital financing urges maximum use of capital grants to recover a portion of our engineering and construction costs based on work on a project. For capital work performed in house by GCRTA employees, the personnel expenses post to the General Fund operating budget. The grant funding reimburses the General Fund for those expenses. The revenue budget for these grant reimbursements is calculated based on assumptions using current grant awards and recent activity.

REIMBURSED EXPENDITURES AND OTHER REVENUE

For FY2024 through FY2026 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 capture miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, and salvage sales.

Preventive Maintenance (PM) is a smaller portion of reimbursed expenditures. The Authority aims to keep PM reimbursements at \$20 million or less. In recent years, the Authority has made a strategic decision to limit PM reimbursements to \$1 million to address unfunded and under-funded capital projects. Unfunded projects total nearly \$262 million in the 2024 budget.

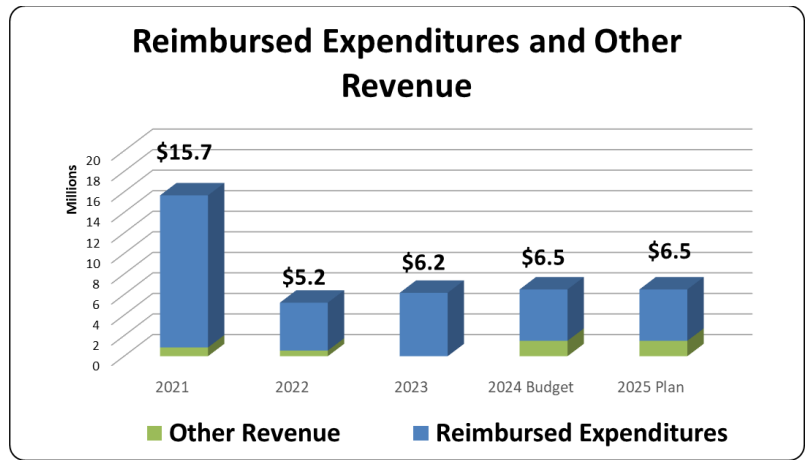


Figure 33

EXPENDITURES

The General Fund Expenditures from 2022 through 2025, and the ending balances for each year, are displayed in Figure 29. Total operating expenditures are budgeted at \$293.6 million in 2024. The available ending balance in the General Fund is budgeted at \$24.4 million. Transfers to other funds total \$40.2 million. These include \$2.5 million to the Insurance Fund, \$10.9 million to the Reserve Fund, \$9.3 million to the Bond Retirement Fund, and \$17.5 million to the Capital Improvement Fund.

General Fund expenditures include salary and fringe benefits for 2,422.5 budgeted positions, which comprises 75.5% of the 2024 budgeted total operating expenditures. Salary and fringe benefits budgets include wage increases of 4% across the board. The non-payroll General Fund 2024 budgeted operating expenditures include Fuel (diesel, compressed natural gas, propulsion power, propane, and gasoline, nearly 14%), Utilities (3%), Inventory (-6%), Services Materials & Supplies (12%), Purchased Transportation (nearly 12%), and Other Expenditures (nearly 28%) compared to 2023 expenditures. The 2024 budget for non-payroll operating expenditures has an increase of nearly 5% compared to the 2023 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 is provided in the sections that follow.

The Authority performed a comprehensive classification and compensation study during 2022-2023, and the 2024 budget is the first budget built based on the results of the study. The Authority contracted with a consultant to perform the study of non-bargaining positions to review and improve its classification and salary structure, and address any applicable pay equity needs. The review included 1) the development of a classification and salary structure based on job evaluation and market analysis (public and private sector) and 2) a pay equity analysis. This provided the first comprehensive update to our compensation system that was designed and implemented in 1995. The Authority reviews its salary structure annually, and plans on completing another comprehensive compensation study in three to five years to ensure its workforce remains competitive in the labor market.

EMPLOYMENT LEVEL AND SERVICE

The number of positions for 2024 is budgeted at 2,422.5. Figure 34 provides brief descriptions of the employment and service level changes over the past four years.

Overall, there are 26 new positions across Operations, Finance, Innovation & Technology, and Executive divisions. Changes include six additional positions for the Transit Ambassador Program that launched in late 2022 as a progressive policing and community engagement initiative, 14 Bus Mechanic Apprenticeship positions, two Human Resource Business Partners, a Training Coordinator, Paratransit Operator position, and two Financial Analyst positions.

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, 2023, through February 28, 2026.

Employment Level and Service Level Changes				
FY	2021	2022	2023	2024
Positions	2,356.50	2,381.50	2,396.50	2,422.50
Net Increase (Decrease)	23.25	25.00	15.00	26.00
	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.	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. *FY2022 Budget was amended with the addition of 7 Transit Police Civilian Oversight Committee members.	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.	26 new positions were added in across a variety of departments. This includes 6 additional Transit Ambassadors; 14 Bus Mechanic Apprenticeships; 2 Human Resources Business Partners; 1 Training Coordinator; 1 Paratransit Operator; and 2 Financial Analysts.
Budgeted Service Increase (Decrease)	(0%) Service Hours; (0%) Service Miles	(0%) Service Hours; (0%) Service Miles	(0%) Service Hours; (0%) Service Miles	Fixed Route: (0%) Service Hours; (0%) Service Miles Demand Response: (16%) Service Hours; (16%) Service Miles
	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 <u>Update:</u> NextGen implemented June 2021	2022 service budgeted to remain at 2021 planned hours and miles. No service changes are projected for 2022. <u>Update:</u> NextGen annualized. Schedule adjustments evaluated as applicable.	2023 service budgeted to remain at 2022 planned hours and miles. No service changes are projected for 2023.	2024 fixed route service budgeted to remain at 2022 planned hours and miles. No fixed route service changes are projected for 2024. Paratransit demand response 2024 budget has a 16% increase in service hours compared to the 2023 budget.

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 \$34.4 million in Sales Tax Revenue bonds at the end of 2023, which will require principal and interest payments of \$9.5 million in 2024. GCRTA executed a bond defeasance in 2021 which eliminated approximately half of the Authority's debt obligations. The outstanding debt (principal and interest) for the Authority has decreased from approximately \$144 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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Transfers						
Transfer from the General Fund	\$ 11,327,875	\$ 6,627,398	\$ 6,627,398	\$ 9,346,959	\$ 9,184,042	\$ 7,134,061
Total Transfers	11,327,875	6,627,398	6,627,398	9,346,959	9,184,042	7,134,061
Other Revenues						
Investment Income	113,067	135,000	349,225	100,000	100,000	100,000
Total Other Revenues	113,067	135,000	349,225	100,000	100,000	100,000
Total Revenues	11,440,942	6,762,398	6,976,623	9,446,959	9,284,042	7,234,061
Expenditures						
Debt Service						
Principal	9,535,000	7,610,000	7,610,000	7,995,000	8,355,000	6,935,000
Interest	2,338,700	1,861,950	1,861,950	1,481,450	1,115,500	697,750
Total Debt Service	11,873,700	9,471,950	9,471,950	9,476,450	9,470,500	7,632,750
Other Expenditures						
Other Expenditures	-	1,500	1,500	1,500	1,500	1,500
Total Other Expenditures	-	1,500	1,500	1,500	1,500	1,500
Total Expenditures	11,873,700	9,473,450	9,473,450	9,477,950	9,472,000	7,634,250
Net Increase (Decrease)	(432,758)	(2,711,052)	(2,496,827)	(30,991)	(187,958)	(400,189)
Beginning Balance	4,114,410	3,681,652	3,681,652	1,184,825	1,153,834	965,876
Projected Ending Balance	\$ 3,681,652	\$ 970,600	\$ 1,184,825	\$ 1,153,834	\$ 965,876	\$ 565,687

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 2024, a transfer of \$9.35 million will be required from the General Fund to cover the current overall debt service of the Authority. For 2025 through 2026, transfers of \$9.18 million and \$7.13 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 \$34.38 million to be paid by FY 2030 including \$30.31 million principal and \$4.08 million interest. The debt repayment schedule for FY 2024 totals \$9.48 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	Total Principal	Total Interest
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	\$ 3.43	\$ 0.22	\$ 12.24	\$ 1.24	\$ 5.66	\$ 0.72	\$ 8.98	\$ 1.88	\$ 30.31	\$ 4.08
Total Debt	\$ 3.65		\$ 13.48		\$ 6.38		\$ 10.86		\$ 34.38	

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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Transfer from General Fund	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 3,000,000	\$ 3,000,000
Investment Income	100,870	35,000	230,353	100,000	100,000	50,000
Other Revenue	-	-	344,402	-	-	-
Total Revenues	2,600,870	2,535,000	3,074,755	2,600,000	3,100,000	3,050,000
Expenditures						
Claims and Premium Outlay	2,993,000	3,049,000	2,286,783	3,078,000	3,100,000	3,100,000
Total Expenditures	2,993,000	3,049,000	2,286,783	3,078,000	3,100,000	3,100,000
Net Increase (Decrease)	(392,130)	(514,000)	787,972	(478,000)	-	(50,000)
Beginning Balance	6,161,198	5,703,198	5,769,068	6,557,040	6,079,040	6,079,040
Projected Ending Balance	\$ 5,769,068	\$ 5,189,198	\$ 6,557,040	\$ 6,079,040	\$ 6,079,040	\$ 6,029,040

Figure 37

A transfer of \$2.5 million was needed each year in 2022 and 2023 to meet industry-wide premium increases while maintaining the \$5.0 million ending balance. For 2024, a transfer of \$2.5 million is budgeted. For 2025 and 2026, a transfer of \$3.0 million is planned 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 FY2024, revenues are budgeted at \$2.6 million and expenditures are budgeted at \$3.08 million. The ending balance is budgeted at \$6.08 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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Investment Income	\$ 21,109	\$ 1,100	\$ 70,167	\$ 40,000	\$ 30,000	\$ 30,000
Total Revenues	21,109	1,100	70,167	40,000	30,000	30,000
Expenditures						
Benefit Payments	7,939	9,000	4,589	9,000	9,000	9,000
Total Expenditures	7,939	9,000	4,589	9,000	9,000	9,000
Net Increase (Decrease)	13,170	(7,900)	65,578	31,000	21,000	21,000
Beginning Balance	1,326,577	1,339,747	1,339,747	1,405,325	1,436,325	1,457,325
Projected Ending Balance	\$1,339,747	\$1,331,847	\$1,405,325	\$1,436,325	\$1,457,325	\$1,478,325

Figure 38

An actuarial evaluation is performed every few years to assess the adequacy of the fund balance. The last study was completed in 2021 and determined there are sufficient funds for remaining pension obligations. For 2024, expenditures of \$9,000 are budgeted. Expenditures are planned to remain at \$9,000 for 2025 and 2026.

LAW ENFORCEMENT FUND

In 1988, GCRTA 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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Law Enforcement Revenue	\$ 43,295	\$ 5,000	\$ 193,765	\$ 20,000	\$ 15,000	\$ 15,000
Investment Income	1,509	50	12,732	5,000	5,000	5,000
Total Revenues	44,804	5,050	206,497	25,000	20,000	20,000
Expenditures						
Capital & Related Expenditures	29,156	80,000	26,995	25,000	25,000	25,000
Total Expenditures	29,156	80,000	26,995	25,000	25,000	25,000
Net Increase (Decrease)	15,648	(74,950)	179,502	-	(5,000)	(5,000)
Beginning Balance	156,171	171,819	171,819	351,321	351,321	346,321
Projected Ending Balance	\$ 171,819	\$ 96,869	\$ 351,321	\$ 351,321	\$ 346,321	\$ 341,321

Figure 39

Revenue obtained through the Task Force can be expended for non-budgeted police 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 2024, total revenues are budgeted at \$25,000. The planned revenue budget will decrease to \$20,000 for 2025 and 2026. For 2024, expenditures of \$25,000 are budgeted. Expenditures are planned to remain at \$25,000 for the years 2025 and 2026.

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 2026. In 2021, the Authority added a sub-fund for Revenue Stabilization.

The total 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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Transfers						
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
Total Transfers	60,878,615	10,878,615	10,878,615	10,878,615	10,878,615	10,878,615
Other Revenue						
Investment Income	1,409,054	500,000	9,276,174	4,000,000	3,000,000	2,000,000
Total Other Revenue	1,409,054	500,000	9,276,174	4,000,000	3,000,000	2,000,000
Total Revenues	62,287,669	11,378,615	20,154,789	14,878,615	13,878,615	12,878,615
Expenditures						
Transfers						
Transfer to RTA Development Fund for Rolling Stock Reserve	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Transfer to GF for 27th Pay	-	-	-	-	4,500,000	-
Transfer to GF for Revenue Stabilization	-	6,500,000	-	30,000,000	35,000,000	34,300,000
Total Transfers	10,000,000	16,500,000	10,000,000	40,000,000	49,500,000	44,300,000
Total Expenditures	10,000,000	16,500,000	10,000,000	40,000,000	49,500,000	44,300,000
Net Increase (Decrease)	52,287,669	(5,121,385)	10,154,789	(25,121,385)	(35,621,385)	(31,421,385)
Beginning Balance	98,596,394	150,884,063	150,884,063	161,038,852	135,917,467	100,296,082
Projected Ending Balance	\$ 150,884,063	\$ 145,762,678	\$ 161,038,852	\$ 135,917,467	\$ 100,296,082	\$ 68,874,697

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-fund to another or back to the General Fund. In 2022, \$50 million was transferred to the Reserve Fund for Revenue Stabilization. In 2023 \$10 million was transferred from the General Fund to the Reserve Fund for the Rolling Stock Reserve and \$0.88 million for the 27th Pay. A transfer of \$10 million was made from the Reserve Fund to the RTA Development Fund for Rolling Stock. For 2024, 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 aging 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 the years 2025 and 2026 as well. In 2024, \$10 million is budgeted to be transferred from the Reserve Fund to RTA Development Fund for Rolling Stock and \$30 million is budgeted to be

transferred to the General Fund for Revenue Stabilization to protect against substantial decreases in revenues. For 2025 and 2026, \$10 million per year is planned 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, \$4.5 million is planned to be transferred from the 27th Pay Reserve to the General Fund for a 27th Pay scheduled that year. For 2025 and 2026, and \$35 million and \$34.3 million respectively is planned to be transferred to the General Fund for Revenue Stabilization.

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Rolling Balances						
Compensated Absences	3,780,451	3,792,978	4,021,832	4,121,729	4,212,704	4,296,710
Fuel	2,667,807	2,676,647	2,838,146	2,908,642	2,972,842	3,032,123
Hospitalization	2,731,192	2,740,243	2,905,578	2,977,749	3,043,474	3,104,164
Rolling Stock Reserve	724,187	726,586	770,426	789,562	806,990	823,082
27th Pay	4,765,681	5,660,088	6,004,498	7,032,257	3,566,089	4,515,815
Revenue Stabilization	136,214,746	130,166,135	144,498,374	118,087,529	85,693,983	53,102,803
Total	150,884,063	145,762,678	161,038,852	135,917,467	100,296,082	68,874,697

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 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Federal / State Revenues						
Federal Capital Grants	\$ 37,378,379	\$ 64,062,635	\$ 53,677,554	\$ 71,876,582	\$ 72,393,400	\$ 48,219,950
Federal Assistance	81,293,421	-	-	-	-	-
State Capital Grants	3,718,546	19,336,598	128,200	41,116,997	66,345,747	45,170,747
Total Federal / State Revenues	122,390,346	83,399,233	53,805,754	112,993,579	138,739,147	93,390,697
Other Revenue						
Investment Income	1,883,389	200,000	5,204,465	1,000,000	1,000,000	1,000,000
Other Revenue	13,513,332	24,225,000	174,937	26,520,794	34,500,000	25,000,000
Total Other Revenue	15,396,721	24,425,000	5,379,402	27,520,794	35,500,000	26,000,000
Transfers						
Transfer from RTA Routine Capital Fund	43,228,465	19,500,000	19,500,000	14,500,000	14,000,000	17,000,000
Transfer from Reserve Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total Transfers	53,228,465	29,500,000	29,500,000	24,500,000	24,000,000	27,000,000
Total Revenue	191,015,532	137,324,233	88,685,156	165,014,373	198,239,147	146,390,697
Expenditures						
Capital Outlay						
Capital Outlay - Development Fund	41,096,925	135,930,660	71,451,754	142,245,993	173,495,767	145,965,697
Total Capital Outlay	41,096,925	135,930,660	71,451,754	142,245,993	173,495,767	145,965,697
Other Capital Expenditures						
Federal Assistance	81,293,421	-	-	-	-	-
Total Other Capital Expenditures	81,293,421	-	-	-	-	-
Total Expenditures	122,390,346	135,930,660	71,451,754	142,245,993	173,495,767	145,965,697
Net Increase (Decrease)	68,625,186	1,393,573	17,233,403	22,768,380	24,743,380	425,000
Beginning Balance	139,604,021	208,229,207	208,229,207	225,462,610	248,230,990	272,974,370
Projected Ending Balance	\$ 208,229,207	\$ 209,622,780	\$ 225,462,610	\$ 248,230,990	\$ 272,974,370	\$ 273,399,370

Figure 42

RTA Routine Capital Balance Analysis

	FY 2022 Actual	FY 2023 Budget	FY 2023 Actual	FY 2024 Budget	FY 2025 Plan	FY 2026 Plan
Revenues						
Investment Income	\$ 141,345	\$ 65,000	\$ 232,400	\$ 100,000	\$ 100,000	\$ 100,000
Transfer from General Fund	44,725,757	21,866,868	21,866,868	17,483,041	18,180,958	20,775,939
Total Revenue	44,867,102	21,931,868	22,099,268	17,583,041	18,280,958	20,875,939
Expenditures						
Capital Outlay						
Asset Maintenance	1,390,887	2,410,000	1,081,292	2,310,000	2,410,000	2,310,000
Routine Capital	1,677,277	1,637,734	1,198,712	1,718,921	1,627,524	1636353
Total Capital Outlay	3,068,164	4,047,734	2,280,004	4,028,921	4,037,524	3,946,353
Other Capital Expenditures						
Transfer to RTA Development Fund	43,228,465	19,500,000	19,500,000	14,500,000	14,000,000	17,000,000
Total Other Capital Expenditures	43,228,465	19,500,000	19,500,000	14,500,000	14,000,000	17,000,000
Total Expenditures	46,296,629	23,547,734	21,780,004	18,528,921	18,037,524	20,946,353
Net Increase (Decrease)	(1,429,527)	(1,615,866)	319,264	(945,880)	243,434	(70,414)
Beginning Balance	8,921,215	7,491,688	7,491,688	7,810,952	6,865,072	7,108,506
Projected Ending Balance	\$ 7,491,688	\$ 5,875,822	\$ 7,810,952	\$ 6,865,072	\$ 7,108,506	\$ 7,038,092

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 typically 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 where no local match is required. 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.