

2021 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.

The Authority is an independent, special purpose political subdivision of the State of Ohio. Fund budgets are prepared on a modified accrual basis of accounting. The revenues are budgeted on a cash basis – when they are received as opposed to when they are earned. The expenditures are adjusted monthly on the accrual basis, or when the liabilities were incurred. The Authority uses the following appropriated funds to account for its operations:

ALL FUNDS (Summary of all Funds)

- **GENERAL FUND (Enterprise Fund)** - Operating Budget and transfers to other funds
 - ❖ **CAPITAL IMPROVEMENT FUNDS** (Summary of RTA Capital and RTA Development Funds)
 - **RTA CAPITAL FUND** (Broken down into two fund areas for Short-Term and locally-funded Capital projects)
 - Routine Capital
 - Specifically for equipment related capital projects
 - Asset Maintenance
 - Specifically for Facility related capital projects
 - **RTA DEVELOPMENT FUND** Funding set aside for Long-Term and externally funded (e.g. grants) Capital projects
 - ❖ **BOND RETIREMENT FUND** (Funding set aside to pay off debt)
 - ❖ **SUPPLEMENTAL PENSION FUND** (Funding set aside for employees hired before GCRTA)
 - ❖ **INSURANCE FUND** (Funding set aside for self-insurance purposes)
 - ❖ **LAW ENFORCEMENT FUND** (Funding set aside for law enforcement purposes)
 - ❖ **RESERVE FUND** (Funding set aside to protect the Authority from economic downturns and replace aging revenue vehicles)

A fund balance is the difference between total resources (beginning cash balance plus total revenues) and total expenditures.

Fund balances for the General Fund and RTA Capital Fund represent the unencumbered, unreserved balance (referred to as the available end of year balance). These fund balances are shown net of reserves for encumbrances. All other funds are reflected in cash balances.

The end of year balance of a fund provides a measure of a fund or entity's financial health and is useful in spotting negative trends. The following analysis focuses on the Authority's major funds (listed above in bold) and addresses future trends within those balances.

The analysis also presents details on the components of revenue and trends in expenditures.

HOW TO CALCULATE FUND BALANCE

$$\begin{array}{r}
 \text{Beginning Balance} + \text{Current Revenues} = \text{Total Resources} \\
 - \quad \text{(Less) Total Current Expenditures} \\
 \hline
 = \quad \text{(Equals) Available Ending Balance} \\
 \quad \text{(Also called Fund Balance)}
 \end{array}$$

Figure 29

ALL FUNDS

BALANCE ANALYSIS

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

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

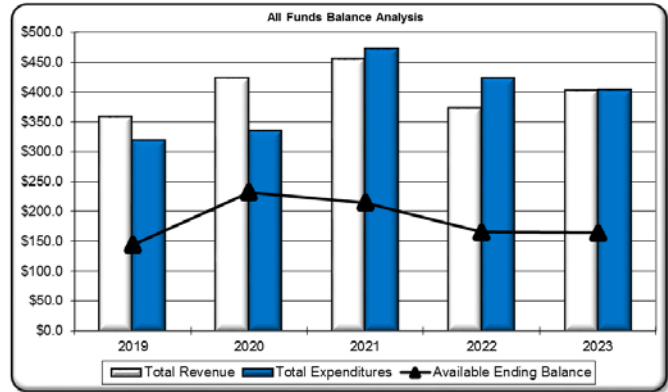


Figure 30

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 2021 All Funds forecast \$215.0 million in available ending balance.

	2019	2020	2021	2022	2023
	Actual	Actual	Amended Budget	Plan	Plan
Beginning Balance	\$104.7	\$143.8	\$232.0	\$215.0	\$165.4
Total Revenue	358.9	424.6	456.2	374.3	403.6
Total Resources	463.6	568.5	688.3	589.2	569.0
Total Expenditures	319.8	336.4	473.3	423.8	404.9
Available Ending Balance	\$143.8	\$232.0	\$215.0	\$165.4	\$164.1

Figure 31

2021 Amended Budget - All Funds Summary

	ALL FUNDS	GENERAL FUND	DEVELOPMENT FUND	RTA CAPITAL FUND	BOND RETIREMENT FUND	INSURANCE FUND	SUPPLEMENTAL PENSION FUND	LAW ENFORCEMENT FUND	RESERVE FUND
Beginning Balance	\$232,037,789	\$133,581,757	\$28,926,433	\$3,510,860	\$ 5,946,363	\$ 5,827,793	\$ 1,288,956	\$ 57,550	\$52,898,078
Revenues									
Passenger Fares	27,814,100	27,814,100							
Sales & Use Tax	215,720,056	215,720,056							
Federal	152,633,201	60,000,000	152,633,201						
State	9,336,598	-	9,336,598						
Investment Income	3,145,958	2,069,958	200,000	65,000	135,000	35,000	14,000	2,000	625,000
Other Revenue									
Advertising & Concessions	28,172,834	1,803,916							
Other Revenue		1,348,918	25,000,000					20,000	-
Reimbursed Expenditure	19,413,919	19,413,919	-						
Transfer from General Fund				43,398,859	13,835,408	2,000,000	45,000		10,000,000
Transfer from GF for 27th Pay									878,615
Transfer from RTA Capital Fund			37,878,174						
Transfer from Reserve Fund			49,000,000						
Total Revenues	456,236,666	328,170,867	274,047,973	43,463,859	13,970,408	2,035,000	59,000	22,000	11,503,615
Total Resources	688,274,454	461,752,624	302,974,406	46,974,718	19,916,771	7,862,793	1,347,956	79,550	64,401,693
Expenditures									
Personnel Services									
Salaries & Overtime	197,653,159	143,376,531							
Payroll Taxes and Fringes		54,276,628							
Fuel (Diesel, CNG, Prop Pwr., Propane, G	8,182,600	8,182,600							
Utilities	5,614,454	5,614,454							
Inventory	13,100,000	13,100,000							
Services and Materials & Supplies	21,157,429	21,157,429							
Purchased Transportation	9,850,000	9,850,000							
Other Expenditures		6,928,856			1,500			20,000	-
Claims and Premium Outlay	9,927,356					2,919,000			
Benefit Payments							58,000		
Reserve Fund Expenses									
Total Operating Expenditures		262,486,498							
Capital Outlay			188,010,934						
Asset Maintenance	191,174,752			1,581,000					
Routine Capital				1,582,818					
Debt Service									
Principal	16,624,000				11,345,000				
Interest					5,279,000				
Transfer to Other Funds									
General Fund									
Insurance Fund		2,000,000	60,000,000						
Supplemental Pension Fund		45,000							
Bond Retirement Fund		13,835,408							
RTA Capital Fund		43,398,859							
RTA Development Fund				37,878,174					49,000,000
Reserve Fund		10,878,615							
Transfer from the Reserve Fund									
Total Transfers to Other Funds		70,157,882							
Total Expenditures	473,283,750	332,644,379	248,010,934	41,041,992	16,625,500	2,919,000	58,000	20,000	49,000,000
Available Ending Balance	\$214,990,704	\$129,108,244	\$54,963,472	\$5,932,726	\$ 3,291,271	\$ 4,943,793	\$ 1,289,956	\$ 59,550	\$15,401,693

Figure 32

GENERAL FUND

BALANCE ANALYSIS

The General Fund is the Enterprise Fund and General Operating Fund of the Authority and accounts for all revenue and expenditures except for activities related to capital improvements, debt service, catastrophic/extraordinary losses, supplemental pension benefits, economic downturns, and replacing of revenue vehicles.

REVENUES

Revenue is received from a number of sources to support activity in the General Fund. A discussion of the major sources of revenue follows in sections ahead.

SALES & USE TAX

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

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 on a monthly basis, approximately two months following the collection of the tax by the State (three months after the tax is paid by consumers).

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

The 2021 General Fund budget was approved on December 15, 2020. Revenues were based upon 3rd Quarter estimates. Sales Tax revenue for 2020 ended the year 2.5

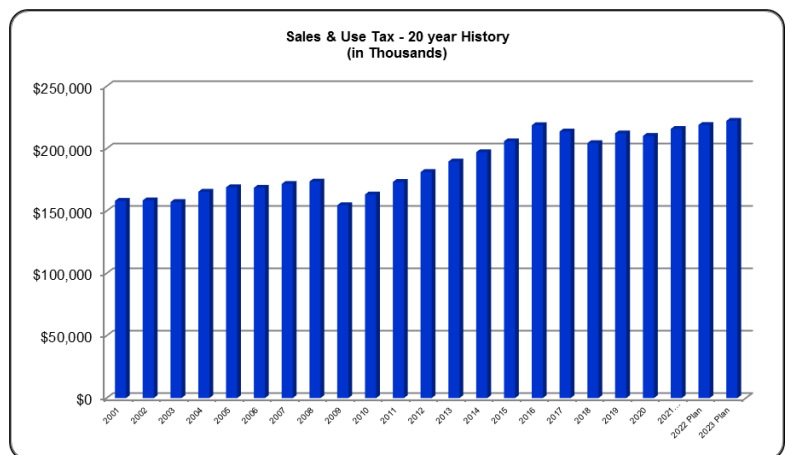


Figure 33

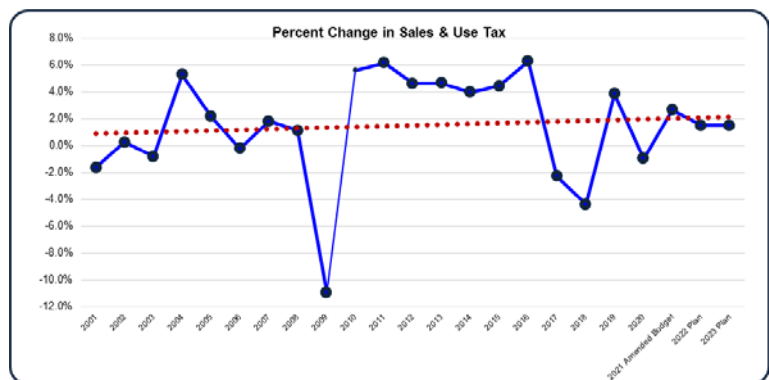


Figure 34

¹ Approved by voters in July 1975 and of unlimited duration

percent lower than 2019 Budget, at \$207.4 million. Sales and Use Tax receipts for 2021 are estimated at \$215 million, a \$5 million increase over 2020 actual receipts.

PASSENGER FARES

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, kiosk's 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.

In 2020, RTA experienced An average 43.8 percent decrease in passenger fare revenue. Ridership plummeted in April due to the pandemic and remained near 50% pre-COVID levels through year-end. From March to May, Ohioans were mandated and continue to be directed to limit exposure to the COVID-19 virus and stay home whenever possible.

RTA is projecting that ridership will remain near the 50% level in 2021 and not fully recover until well into 2022. As an essential service, the Authority continues to provide transportation. Public transit is considered an essential business and remained open to transport essential workers to their jobs and others to doctor's appointments, grocery stores, or other essential areas.

In response to the Fare Equity Pillar study recommendation, the All-day Pass was reduced from \$5.50 to \$5.00 in late 2020.

NextGen RTA, the bus system redesign, is planned for implementation for the summer of 2021. This opportunity is anticipated to have a positive impact on ridership and fares as RTA makes changes to better serve customers.

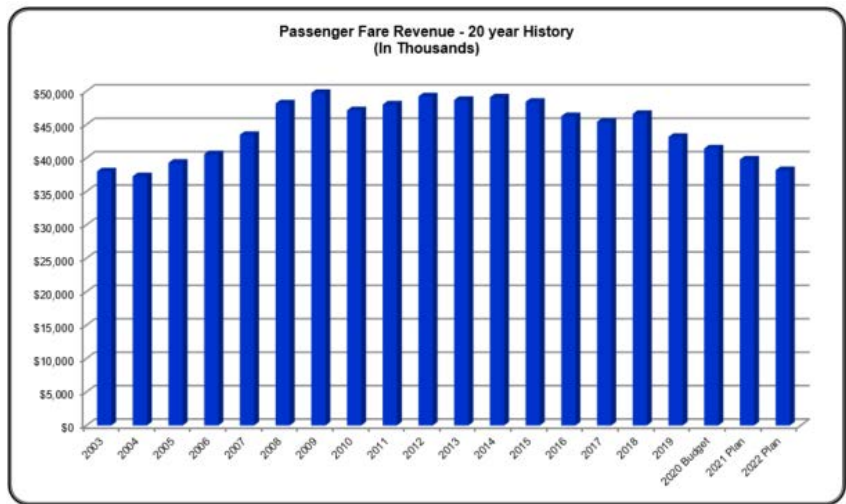


Figure 35

INVESTMENT INCOME

The Authority pursues an aggressive cash management and investment program in order to achieve maximum financial return on all available funds. Idle cash balances are invested at the best interest rates available within the constraints imposed 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).

Under the criteria developed by the Governmental Accounting Standards Board (GASB), much of the Authority's deposits and investments are included in risk category 2 or 3. Such deposits and investments are either secured by a pool of investments (not in the Authority's name) held by a Federal Reserve Bank or other banks for the pledging financial institution, or are held in the Authority's name at the trust department of the counter party to the investment transaction. Because the Authority's deposits and investments are generally held by large, financially sound, national banks, the security supporting the Authority's deposits and investments is adequate.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of 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 110 percent of the total value of public monies on deposit at the institution. 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 FY2020, GCRTA's average yield on its portfolio year to date was 0.88%. This is 24 basis points above the performance standard yield of .64 and .63 basis points above the market average yield of 0.25%.

General Fund Investment income is budgeted at \$2.1 million, an increase of 196 percent from 2020 actuals. This is due to the CARES Act funding and the Authority carrying larger cash balances through most of 2020. 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 and through canned "commercials" played on buses and trains. The naming rights includes Cleveland Clinic Foundation and University Hospitals for the HealthLine and area shelters; Cleveland State University for the CSU Line; MetroHealth for MetroHealth Line; Cuyahoga Community College (Tri-C) for E. 34th Rapid Transit Station; Huntington Bank and Bryant & Stratton College for HealthLine Shelters.

Revenue from advertising experience steady growth from 2018 to 2020. Starting in 2021, revenue are anticipated to be 23 percent below 2020 actuals at \$1.8 million due to the pandemic. For 2022 and 2023, receipts are projected to stay at or near 2021 levels.

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, and 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.

2020 saw the arrival of the Coronavirus (COVID-19) pandemic that swept the globe. The federal government, through the Federal Transit Administration, provided operating expense assistance to ensure continued operation of vital public transportation. The Coronavirus Aid Relief and Economic Security Act (CARES) provided \$112 million to the Authority for operating assistance. In 2021, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) is anticipated to continue support. CRRSA is currently projected to provide an additional \$60 million to RTA for operating expenses.

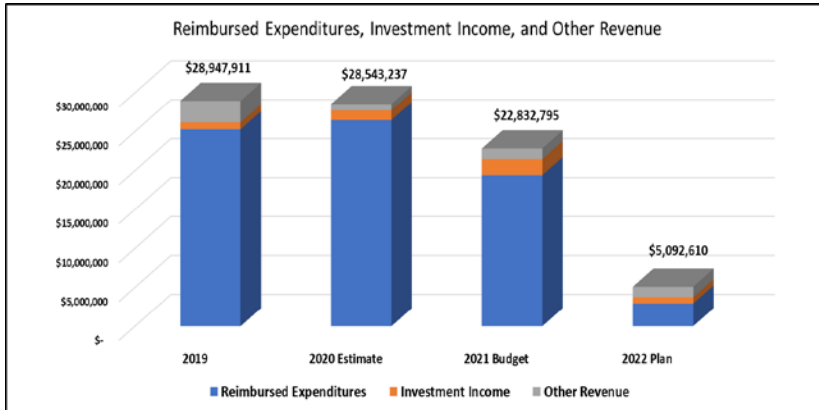
Federal Operating grant dollars are drawn down on cash flow requirements in the General Fund. The amount and timing of revenue received from this source in any year fluctuates, based on the Authority's ability to draw down these funds and the amount of the grant. Although Federal Operating Assistance was eliminated, some flexibility was given to use increases in capital grant awards for traditional maintenance type expenditures.

Though utilizing the flexibility provided has helped to support the Authority's level of service, as revenue challenges have arisen and been met over the years, it represents an ongoing disinvestment in the Authority's capital state of good repair in favor of maintaining service levels. Further explanations of revenues from this source are presented under Reimbursed Expenditures and Other Revenue.

REIMBURSED EXPENDITURES AND OTHER REVENUE

The Authority's goal is to keep Preventive Maintenance reimbursements at \$25 million or below, with a stretch goal of \$20 million or below. For 2019 and 2020, RTA stayed at its stretch goal of \$20 million. Reimbursements are expected to be \$19 million for FY 2021.

The Authority has made a strategic decision to transfer all PM reimbursements for FY 2021 to RTA Development Fund in order to fund much-needed budgeted, but unfunded, projects. The PM Reimbursement for FY 2022 will not be drawn down, but will be used for unfunded projects. Other reimbursed expenditures include fuel tax reimbursements and force account labor reimbursements.



Other revenue is budgeted at \$1.3 million for 2021. Other revenue includes various miscellaneous receipts from contractors, hospitalization, claim reimbursements, rent, and salvage sales.

Figure 36

EXPENDITURES

The General Fund Expenditures from 2018 through 2023, and the ending balances for each year. Total operating expenditures budget in 2020 was \$254.5 million, a 3 percent increase over budget.

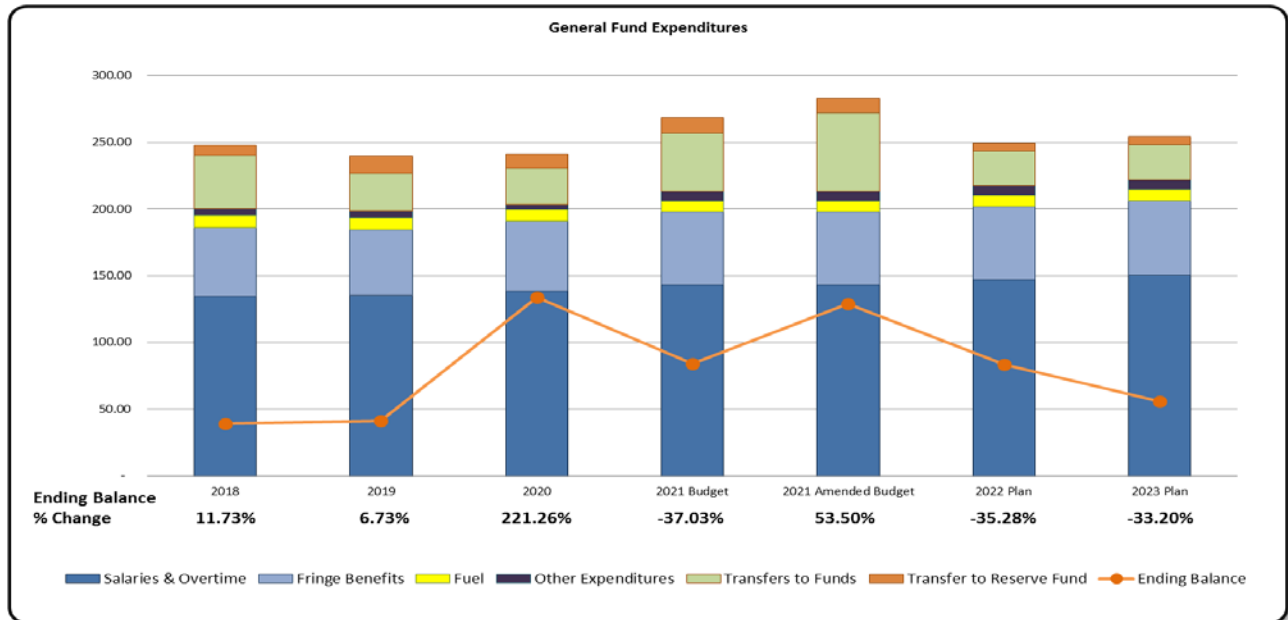


Figure 37

EMPLOYMENT LEVEL AND SERVICE

The total budgeted positions for 2021 and provides brief descriptions of the employment and service level changes over the past four years.

There is a net increase of 23 positions. The majority (18) of the added positions are for an intensive vehicle cleaning program to better address customer concerns and the pandemic. The CEO began making adjustments to the overall department structure looking in 2021 to establish a Deputy General Manager (DGM) of Administration and External Affairs and Deputy General Manager for Innovation and Technology. The new Administration and External Affairs division will oversee external affairs, marketing, and the Office of Equal Opportunity. Training and Employee Development Department added two operating instructors.

The ATU contract was approved in December 2019. It is retroactive to August 1, 2018 and continues through July 31, 2021. The FOP contract was approved and effective from March 1, 2020 through February 28, 2023. The 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.

Employment Level and Service Level Changes				
FY	2018	2019	2020	2021
Positions	2,332.50	2,333.50	2,333.25	2,355.75
Net Increase (Decrease)	0.25	1.0	(0.25)	22.5
	<p>Total Operator positions reallocated between Rail and Bus, down 1 FTE compared to 2017; Reinstated a Planning Team Leader position; Added 1 Material Handler Leader position due to a grievance ruling; Reduced 2 Marketing positions and added a Part-Time Intern position as the Department reorganizes; Added 2 positions and reduced 1 position in OMB as the Department is reorganized;</p>	<p>Increase of one FTE from 2018. During 2018 14 position were moved from Marketing and Communications including Supervisor of Telephone Information Center, Telephone Operator/Information Clerks, and Customer Service. Call Center and Telephone Information center was merged with Paratransit. Supervisor of Telephone Information Center retired and position was moved to OMB to replace Manager of Budgets.</p>	<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>
Planned Service Increase (Decrease)	(3.0%) Service Hours; (2.7%) Service Miles	(0%) Service Hours;(0%) Service Miles	(0%) Service Hours;(0%) Service Miles	(0%) Service Hours; (0%) Service Miles
	<p>3% Service Reduction planned for bus and rail starting in March. A pilot program for Paratransit is planned for 2018 using Uber and Lyft. The Vanpool program, which began in 2017, will continue in 2018.</p>	<p>No significant service changes are planned. Engaged in 5 Pillar Studies: Fare Equity Study, Economic Impact Study, Efficiency Study & Operational Review, Rail Car Study, and System Redesign Study, in order to create efficiencies, enhance service, and identify areas of improvement.</p>	<p>2020 service planned 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. Service has slowly been restored and August 2020, is at 93% of pre-pandemic levels</p>	<p>2021 service is planned to remain at 2020 planned hours and miles. Next Gen RTA (system redesign initiative) is planned to be implemented Summer 2021 that will overhaul the system improving bus frequency and connections and restore service hours to 100% pre-pandemic</p>

Figure 38

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 \$106.26 million in Sales Tax Revenue bonds at the end of 2020, which will require principal and interest payments of \$16.6 million in 2021.

The policy of the Authority is to set aside resources transferred from the General Fund on a monthly basis to meet the current year's annual principal and semiannual interest payments.

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 remains relatively low at all times.

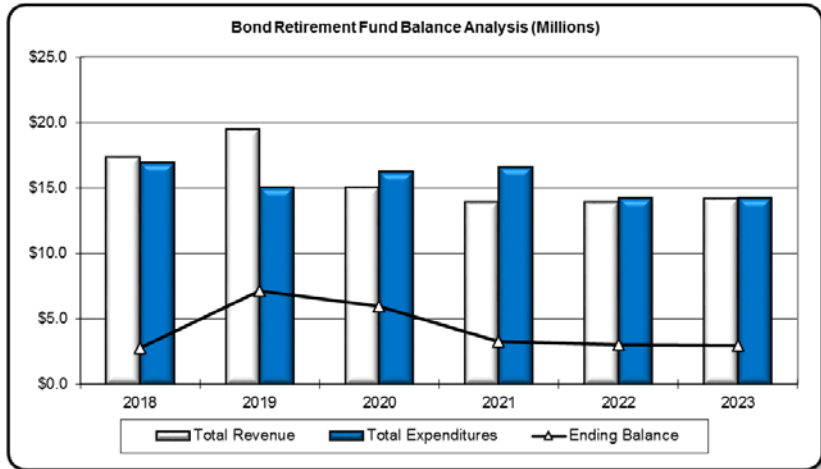


Figure 39

Long-term debt for the Authority consists of Sales Tax revenue bonds. In 2021, a transfer of \$13.84 million was required from the General Fund to cover the current overall debt service of the Authority. For 2022 through 2023, transfers of \$13.82 million and \$14.07 million are planned.

Bond Retirement	2018	2019	2020	2021	2022	2023
Fund Balance	Actual	Actual	Actual	Amended Budget	Plan	Plan
Beginning Balance	\$ 2.30	\$ 2.74	\$ 7.14	\$ 5.94	\$ 3.29	\$ 3.0
Revenue	0.12	6.15	0.11	0.14	0.14	0.14
Fund Transfers	17.24	13.34	14.95	13.84	13.82	14.07
Total Revenue	17.36	19.49	15.06	13.98	13.96	14.21
Total Resources	19.66	22.22	22.20	19.92	17.24	17.20
Total Expenditures	16.92	15.08	16.26	16.63	14.25	14.24
Ending Balance	\$ 2.74	\$ 7.14	\$ 5.94	\$ 3.29	\$ 2.99	\$ 2.96

Figure 40

INSURANCE FUND

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

In 2018, transfer \$7.3 million was made from the General Fund to the Insurance Fund. Lower claims and premium payments helped to increase the ending balance to over \$12.7 million.

In 2019, a transfer of \$2.7 million was needed to cover insurance premiums and large claims and maintain the \$5.0 million ending balance.

For 2020 a transfer did not occur due to low claims and payments. For years 2021 to 2023, a transfer of \$2.0 million is budgeted each year.

According to the Authority's financial policies, the Risk Manager requires a minimum balance be required for the Fund which often ties back to insurance provider requirements. Currently, the required minimum balance is \$5 million. For FY2021, expenditures are projected at \$2.9 million. If these projections hold true, the ending balance would be \$4.9 million and require a budget amendment to transfer dollars to keep the minimum required balance.

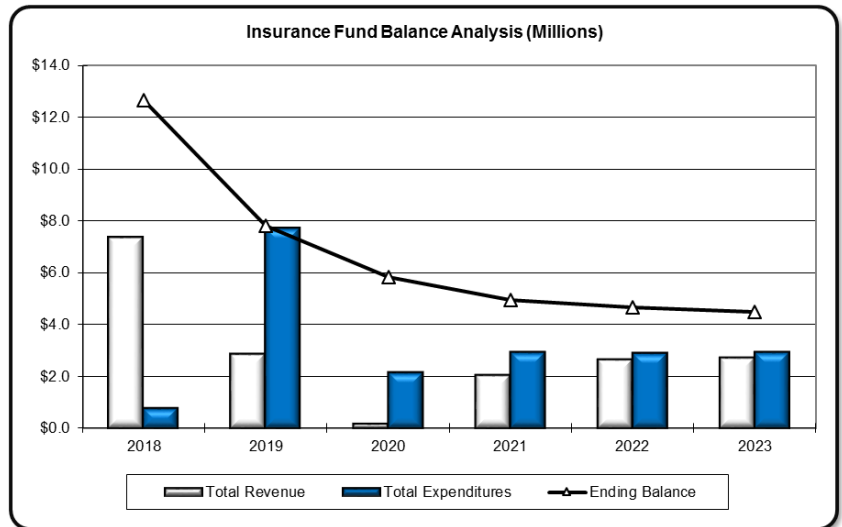


Figure 41

Insurance	2018	2019	2020	2021	2022	2023
Fund Balance	Actual	Actual	Actual	Amended Budget	Plan	Plan
Beginning Balance	\$ 6.08	\$ 12.65	\$ 7.81	\$ 5.83	\$ 4.94	\$ 4.67
Investment Income	0.09	0.17	0.18	0.04	0.04	0.04
Transfers	7.25	2.70	-	2.00	2.60	2.70
Total Revenue	7.34	2.9	0.18	2.04	2.64	2.74
Total Resources	13.42	15.51	7.99	7.86	7.58	7.41
Total Expenditures	0.77	7.70	2.16	2.92	2.91	2.92
Ending Balance	\$ 12.65	\$ 7.81	\$ 5.83	\$ 4.94	\$ 4.67	\$ 4.49

Figure 42

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. Since 1986, the Pension Fund also has been used to account for funds on deposit with the Ohio Public Employees Deferred Compensation Board. The Authority has no control over these funds, but is required to account for them in a trust and agency fund according to governmental accounting standards.

An actuarial evaluation is performed every two years to assess the adequacy of the fund balance. The previous study was completed in 2018 and the Accounting department is working with actuaries to update the numbers for 2020.

This Budget increase maintains the fund balance at levels recommended in the last actuarial evaluation. A transfer of \$50,000 was made from the General Fund in 2019 to support this effort.

For 2021, a transfer of \$45,000 is budgeted. The planned transfers will lower to \$40 million for years 2022 and 2023. For 2021, payments of \$58,000 are budgeted. The same payment amount is planned for 2022 and a decrease to \$55 million for 2023.

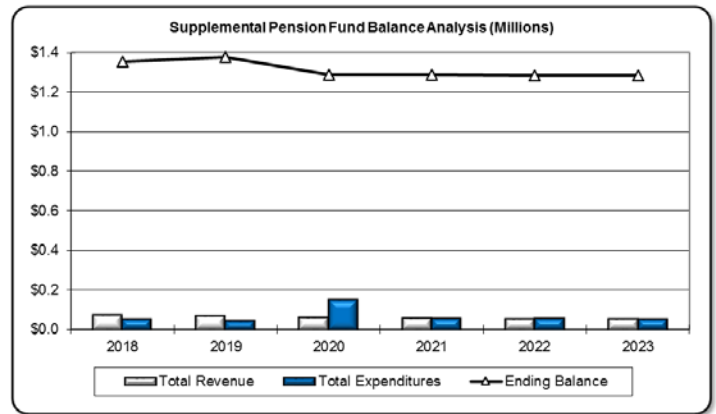


Figure 43

Supplemental Pension	2018	2019	2020	2021	2022	2023
Fund Balance	Actual	Actual	Actual	Amended Budget	Plan	Plan
Beginning Balance	\$ 1.33	\$ 1.35	\$ 1.38	\$ 1.29	\$ 1.29	\$ 1.29
Total Revenue	0.08	0.07	0.06	0.06	0.05	0.05
Total Resources	1.41	1.43	1.44	1.35	1.34	1.34
Total Expenditures	0.06	0.05	0.15	0.06	0.06	0.06
Ending Balance	\$ 1.35	\$ 1.38	\$ 1.29	\$ 1.29	\$ 1.29	\$ 1.29

Figure 44

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). The Authority's involvement was prompted by the increasing gang activity found in and around the rail system and the need to obtain intelligence in this area. 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 drug dealers prosecuted by the Task Force.

Revenue obtained through the Task Force can be expended for non-budgeted police items. The Authority primarily uses these proceeds for unbudgeted capital 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 fund security items, protective equipment, and technical training equipment.

For 2021, total revenue budget is \$22,000.

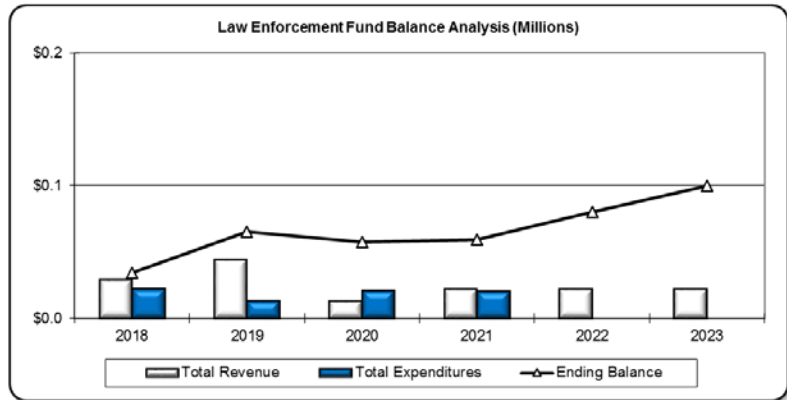


Figure 45

Law Enforcement Fund Balance	2018 Actual	2019 Actual	2020 Actual	2021 Amended Budget	2022 Plan	2023 Plan
Beginning Balance	\$ 0.03	\$ 0.03	\$ 0.07	\$ 0.06	\$ 0.01	\$ 0.08
Total Revenue	0.03	0.04	0.01	0.02	0.02	0.02
Total Resources	0.06	0.08	0.08	0.08	0.08	0.10
Total Expenditures	0.02	0.01	0.02	0.02	-	-
Ending Balance	\$ 0.03	\$ 0.07	\$ 0.06	\$ 0.06	\$ 0.08	\$ 0.10

Figure 46

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 a 27th pay period, and reserve local funding needed for rolling stock replacement, specifically, rail cars in 2021 through 2025.

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

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 the Reserve Fund back to the General Fund to increase the funding for expenses. In 2020, a transfer of \$5 million is budgeted for Rail Car replacement into the Rolling Stock Reserve Fund. For 2021, \$49 million was transferred from the Reserve Fund to the RTA Development Fund for implementation of the Railcar Replacement Program.

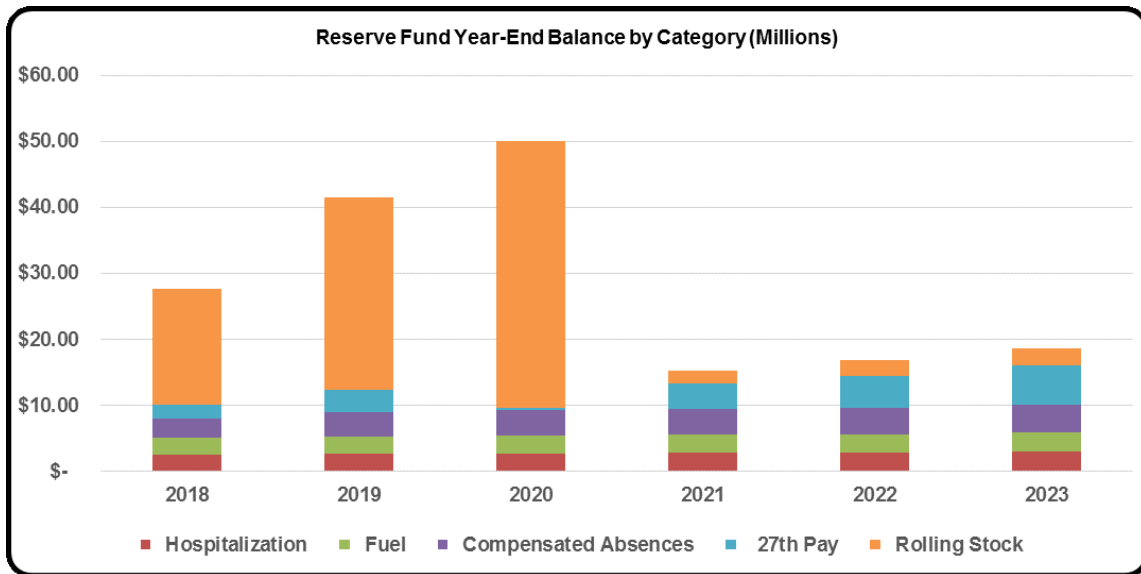


Figure 47

Reserve Fund Balance	2018	2019	2020	2021	2022	2023
Category Year-End Balances	Actual	Actual	Actual	Amended Budget	Plan	Plan
Fuel	2.51	2.59	2.70	2.74	2.78	2.93
Compensated Absences	2.89	3.66	3.83	3.88	3.94	4.15
Hospitalization	2.57	2.65	2.77	2.80	2.85	3.00
27th Pay	2.13	3.47	3.05	3.97	4.91	6.05
Rolling Stock	17.58	29.11	40.44	1.92	2.44	2.57
Total	\$ 27.68	\$ 41.48	\$ 52.79	\$ 15.30	\$ 16.93	\$ 18.71

Figure 48

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-funded projects, as well as 100 percent locally-funded items.

All capital projects are included in one of two funds: the RTA Development Fund, which includes all grant-funded projects, as well as the majority of the larger capital projects for the Authority, including rehabilitations, expansions and large equipment purchases; and the RTA Capital Fund, a smaller fund for more routine expenditures that support daily operational activities.

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. Unlike the RTA Development Fund, where the majority of projects are funded with grant awards, the RTA Capital Fund is financed entirely through local dollars in the form of Sales & Use Tax revenue contributions.

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

REVENUES

The Authority receives various capital grants from the Federal Transit Administration (FTA). 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 interest income, transfers from other funds and sales of bonds and notes. In some cases FTA grants, such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act program are awarded with a 100 percent 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 (OTP 2 and 3) and loans from the State Infrastructure Bank (SIB).

The RTA Capital Fund was established in 1988 and funded with Sales & Use Tax proceeds as part of the Authority's goal of a minimum of 10 and maximum 15 percent contribution to capital requirement as described under General Fund Revenue. The policy goal was changed in 2017 to a minimum of 10 percent contribution to capital. Interest earned on the investment of those 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 Operating Budget to the RTA Capital Fund and the transfer to the Bond Retirement Fund

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