

# Year-End Financial Report

This past year has been filled with excitement and major accomplishments toward replacing our nearly 40-year-old rail fleet. In April 2023, the Board of Trustees approved the purchase of 24 new rail vehicles through Siemens Mobility, Inc. In November, the Board approved the exercise of an option to purchase an additional 6 vehicles. In January 2023, the Authority applied for the Rail Vehicle Replacement Program competitive award under the Bipartisan Infrastructure Investment and Jobs Act (IIJA). This program was created to assist in replacing aging rail cars, improving reliability and safety, and improving accessibility on the nation's rail transit systems. The Authority was awarded \$130 million through this program. An additional \$12.2 million was awarded from the Ohio Department of Transportation (ODOT) for the rail cars and a microtransit service through a mobility partnership program.

Our largest source of revenue, Sales and Use Tax, ended the year 2.7% above 2022 levels. Total Operating Revenues, which includes Passenger Fares, Advertising and Concessions, Naming Rights, and Investment Income, ended the year 3.3% below 2022. Total revenues were 19.8% below 2022 total revenues as the

American Rescue Plan Act stimulus funding was fully drawn down in 2022 and no additional funding was received in 2023.

Operating Expenditures were 6.2% above 2022 levels. Total payroll ended the year 4.6% above 2022 levels largely as a result of the 4% wage increase across the Authority, all Non-Bargaining positions were reassessed during a comprehensive study, and an acceleration in hiring and training for operators, mechanics, and police personnel.

The Authority continued to transfer \$10 million to the Reserve Fund for the railcar replacement program. An additional \$878,615 was transferred to the Reserve Fund for the 27th pay, which will happen in 2025 for hourly employees. Transfers of \$28.5 million were made to the capital funds, which includes funding for debt service in the Bond Retirement Fund, and local funding for the Capital Improvement Program.

## Operating Efficiency

The policy goal is to maintain an Operating Ratio of at least 25%. This ratio shows the efficiency by comparing operating expenses



to operating revenues (Passenger Fares, Advertising & Concessions, and Investment Income). At year-end, the Operating Ratio was 11.5% largely due to the decrease in ridership from the COVID pandemic. The Authority projects that it will take many years for ridership to return to pre-COVID levels.

The target of the Cost per Hour of Service indicator is service to be maintained at or below the rate of inflation. The Federal Reserve inflation rate was 3.4% at the end of 2023. The Cost per Hour of Service is a measure of service efficiency, dividing total operating expenses by total service hours. The 2023 cost per service hour amounted to \$165.3, which represents a decrease of 2% from 2022. This meets the policy goal.

Operating Reserve is targeted for a period of 30 Days or 1 Month, which requires the available unrestricted cash and cash equivalents to be one month of operating expenses to cover any unforeseen or extraordinary fluctuations in revenues or expenses. At year-end, the Operating Reserve is for 1.0 month, matching the policy goal.

### Capital Efficiency

The Debt Service Coverage ratio is the measure of the Authority's ability to meet annual interest and principal payments on its outstanding debt. The goal is for the debt service coverage to be 1.5 or above and compares total operating resources (net of operating costs and transfers to the Insurance, Capital, and Pension Funds) with the Authority's debt service needs. The Debt Service Coverage ended the year at 4.3, exceeding the policy goal.

The Sales Tax Contribution to Capital is a measure of the level of commitment to longer-term capital needs by determining the percentage of the sales tax revenues that is to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments. This indicator ended the year at 10.9% meeting the policy goal of a transfer of at least 10%.

The Capital Maintenance Outlay to Capital Expansion Outlay ratio shows the Authority's focus is on the maintenance or State of Good Repair of its current assets rather than on the expansion of service levels. This continues to remain the best course available as the Authority continues its bus replacement program, equipment upgrades, and plans for rail vehicle replacement and rail infrastructure improvements.

# Indicators

## Operating Efficiency

### Operating Ratio

**11.5%**

2022	12.4%
2021	8.9%
2020	11.0%
2019	19.0%



Ratio that shows the efficiency of management by comparing operating expenses to operating revenues (Operating Expenses divided by Operating Revenues).

### Cost per Hour of Service

**\$165.3**

2022	\$168.7
2021	\$172.3
2020	\$195.9
2019	\$130.9



Measure of service efficiency (Operating Expenses divided by Service Hours).

### Growth per Year

**-2.0%**

2022	-2.1%
2021	-3.4%
2020	49.7%
2019	-7.1%



Growth in cost of delivering a unit of service (Cost per Hour), compared to the prior year, to be kept at or below the rate of inflation.

### Operating Reserve (Months)

**1.0**

2022	2.6
2021	3.6
2020	6.5
2019	2.1



Equal or above one month's operating expenses to cover unforeseen or extraordinary fluctuations in revenues or expenses.

# Indicators

## Capital Efficiency

### Debt Service Coverage

4.3

2022	10.8
2021	3.2
2020	9.6
2019	4.5

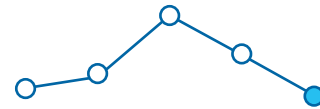


The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.

### Sales Tax Contribution to Capital

10.9%

2022	22.0%
2021	48.2%
2020	13.5%
2019	11.9%



Sales tax revenues to be allocated directly to the Capital Improvement Fund to support budgeted projects or to the Bond Retirement Fund to support debt service payments.

### Capital Maintenance to Expansion

100%

2022	100%
2021	100%
2020	100%
2019	97%



The capital program requires a critical balance between maintenance of existing assets and expansion efforts.

# Funds General Funds

	2022 Actual	2023 Actual	\$ Change	% Change
<b>Revenues</b>				
<b>Operating Revenue</b>				
Passenger Fares	\$28,761,449	\$27,574,362	\$(1,187,087)	-4.1%
Advertising & Concessions	2,056,186	1,257,183	(799,003)	-38.9%
Naming Rights	416,863	533,098	116,235	27.9%
Investment Income	891,750	1,691,508	799,758	89.7%
<b>Total Operating Revenue</b>	<b>32,126,248</b>	<b>31,056,151</b>	<b>(1,070,097)</b>	<b>-3.3%</b>
<b>Non-Operating Revenue</b>				
Sales & Use Tax	254,954,364	261,817,712	6,863,348	2.7%
Reimbursed Expenditures	4,664,608	6,174,609	1,510,001	32.4%
Federal Reimbursements	81,293,421	-	(81,293,421)	-100.0%
Other Revenue	547,336	667,043	119,707	21.9%
<b>Total Non-Operating Revenue</b>	<b>341,459,729</b>	<b>268,659,364</b>	<b>(72,800,365)</b>	<b>-21.3%</b>
<b>Total Revenue</b>	<b>373,585,977</b>	<b>299,715,515</b>	<b>(73,870,462)</b>	<b>-19.8%</b>
<b>Expenditures</b>				
<b>Operating Expenditures</b>				
Salaries, Payroll Taxes & Fringes	201,936,146	211,299,030	9,362,884	4.6%
Fuel & Utilities	13,279,558	12,329,669	(949,889)	-7.2%
Services, Materials & Inventory	31,670,757	36,956,889	5,286,132	16.7%
Purchased Transportation	8,423,677	10,334,733	1,911,056	22.7%
Other Expenditures	5,346,038	6,016,902	670,864	12.5%
<b>Total Operating Expenditures</b>	<b>260,656,176</b>	<b>276,937,223</b>	<b>16,281,047</b>	<b>6.2%</b>
<b>Transfers</b>				
To (From) Reserve Fund	60,878,615	10,878,615	(50,000,000)	-82.1%
To (From) Insurance Fund	2,500,000	2,500,000	-	0.0%
To (From) Bond Retirement Fund	11,327,875	6,627,398	(4,700,477)	-41.5%
To (From) Capital Improvement Fund	44,725,757	21,866,868	(22,858,889)	-51.1%
<b>Total Transfers</b>	<b>119,432,247</b>	<b>41,872,881</b>	<b>(77,559,366)</b>	<b>-64.9%</b>
<b>Total Expenditures</b>	<b>380,088,423</b>	<b>318,810,104</b>	<b>(61,278,319)</b>	<b>-16.1%</b>
<b>Total Revenues Over Total Expenditures</b>	<b>(6,502,446)</b>	<b>(19,094,589)</b>	<b>(12,592,143)</b>	<b>193.7%</b>
<b>Beginning Balance January 1</b>	<b>\$ 62,360,626</b>	<b>\$ 42,560,670</b>	<b>\$ (19,799,956)</b>	<b>-</b>
<b>Ending Balance December 31</b>	<b>\$ 55,858,180</b>	<b>\$ 23,466,081</b>	<b>\$ (32,392,099)</b>	<b>-58.0%</b>

# Funds Capital Funds

	2022 Actual	2023 Actual	\$ Change	% Change
<b>Revenues</b>				
<b>Federal / State Revenues</b>				
Federal Capital Grants	\$37,378,379	\$53,677,554	\$16,299,175	43.6%
Federal Stimulus Grants	81,293,421	-	(81,293,421)	-100.0%
State Capital Grants	3,718,546	128,200	(3,590,346)	-96.6%
<b>Total Federal / State Revenues</b>	<b>122,390,346</b>	<b>53,805,754</b>	<b>(68,584,592)</b>	<b>-56.0%</b>
<b>Other Revenues</b>				
Debt Service Proceeds	-	-	-	0.0%
Investment Income	2,024,734	5,436,865	3,412,131	168.5%
Other Revenue	13,513,332	174,937	(13,338,395)	-98.7%
<b>Total Other Revenue</b>	<b>15,538,066</b>	<b>5,611,802</b>	<b>(9,926,264)</b>	<b>-63.9%</b>
<b>Transfers</b>				
Transfers from the General Fund	44,725,757	21,866,868	(22,858,889)	-51.1%
Transfers from the Reserve Fund	10,000,000	10,000,000	-	0.0%
<b>Total Transfers</b>	<b>54,725,757</b>	<b>31,866,868</b>	<b>(22,858,889)</b>	<b>-41.8%</b>
<b>Total Revenue</b>	<b>192,654,169</b>	<b>91,284,424</b>	<b>(101,369,745)</b>	<b>-52.6%</b>
<b>Expenditures</b>				
GCRTA Development Fund Projects	41,096,925	71,451,754	30,354,829	73.9%
GCRTA Capital Fund Projects	3,068,164	2,280,004	(788,160)	-25.7%
Federal Stimulus Grants	81,293,421	-	(81,293,421)	-100.0%
<b>Total Expenditures</b>	<b>125,458,510</b>	<b>73,731,758</b>	<b>(51,726,752)</b>	<b>-41.2%</b>
<b>Excess Revenues Over Expenditures</b>	<b>67,195,659</b>	<b>17,552,666</b>	<b>(49,642,993)</b>	<b>-73.9%</b>
<b>Beginning Balance January 1</b>	<b>\$ 148,525,236</b>	<b>\$ 215,720,895</b>	<b>\$ 67,195,659</b>	<b>45.2%</b>
<b>Ending Balance December 31</b>	<b>\$ 215,720,895</b>	<b>\$ 233,273,561</b>	<b>\$ 17,552,666</b>	<b>8.1%</b>