



Year-End Financial Report

Greater Cleveland Regional Transit Authority
2024 ANNUAL REPORT

2024 OVERVIEW

This year has been a time of progress and accomplishment. In November 2024, the Board of Trustees approved the purchase of an additional 18 new rail vehicles, bringing the total railcar purchase to 48, through Siemens Mobility, Inc. The Ohio Department of Transportation (ODOT) awarded GCRTA \$9.5 million for new railcars through the Ohio Transit Partnership Program (OTP2). The Authority received \$2.3 million through the Diesel Emission Reduction Grant (DERG) for new low emissions buses from ODOT and the Environmental Protection Agency. The Federal Transit Administration (FTA) awarded GCRTA \$10.6 million for electric buses and chargers through the Infrastructure Investment and Jobs Act (IIJA) Lo/No Emissions Grant for up to 10 buses and 3 charging stations.

Our largest source of revenue, Sales and Use Tax, ended the year 1.1% above 2023 levels, largely due to a \$3.1 million reimbursement from the State of Ohio for the extended sales tax holiday. Total Operating Revenues, which includes Passenger Fares, Advertising & Concessions, Naming Rights, and Investment Income, ended the year 17.6% above 2023. Funding for compensated absences and hospitalization was transferred back to the General Fund from the Reserve Fund. The total balances in these sub-funds exceeded the policy goal. A \$30 million transfer was made from the Revenue Stabilization Fund to the General Fund to maintain the one-month ending balance. Total revenues ended the year 15.6% above 2023.



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Total Operating Expenditures were 11.6% above 2023 levels. Total payroll ended the year 11.8% above 2023 levels largely due to the push to fill operator and mechanic positions and the 4% wage increase across the Authority. Purchased transportation for ADA/Paratransit customers increased 52.8% compared to 2023. Paratransit ridership has increased 10.8% compared to 2023 and purchased transportation service hours increased 24.1% compared to 2023 levels.

The Authority transferred \$11.6 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 \$26.2 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 12.0%, a slight increase from the Operating Ratio of 11.5% in 2023.

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 2.9% at the end of 2024. The Cost per Hour of Service is a measure of service efficiency, dividing total operating expenses by total service hours. The 2024 Cost per Hour of Service amounted to \$180.02, which represents an increase of 8.9% from 2023, not meeting the policy goal.

Operating Reserve is targeted for a period of 30 days or one 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 1.3 months, exceeding 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 5.8, 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%, meeting the policy goal.

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.



Financial Policy Goals

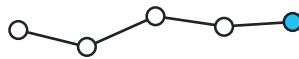
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OPERATING EFFICIENCY

Operating Ratio

12.0%

2023	11.5%
2022	12.4%
2021	8.9%
2020	11.0%

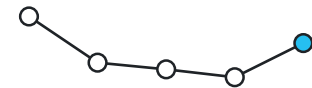


Ratio that shows the efficiency of management by comparing operating expenses to operating revenues (Operating Expenses divided by Operating Revenues).

Cost per Hour of Service

\$180.02

2023	\$165.30
2022	\$168.70
2021	\$172.28
2020	\$195.90

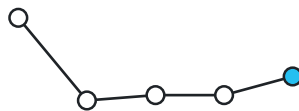


Measure of service efficiency. (Operating Expenses divided by Service Hours).

Growth per Year

8.9%

2023	-2.0%
2022	-2.1%
2021	-3.4%
2020	49.7%

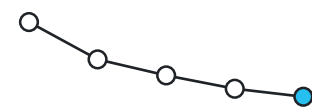


Growth in the cost of delivering a unit of service (Cost per Hour), compared to the prior year.

Operating Reserve (Months)

1.3

2023	1.6
2022	2.6
2021	3.6
2020	6.5



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



Financial Policy Goals

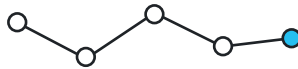
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CAPITAL EFFICIENCY

Debt Service Coverage

5.8

2023	4.3
2022	10.8
2021	3.2
2020	9.6

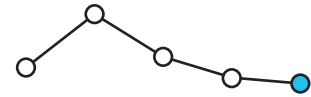


The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.

Sales Tax Contribution to Capital

10.0%

2023	10.9%
2022	22.0%
2021	48.2%
2020	13.5%



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%

2023	100%
2022	100%
2021	100%
2020	100%



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



Funds

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GENERAL FUND

	2023	2024	\$ Change	% Change
REVENUES				
Operating Revenues				
Passenger Fares	\$27,574,362	\$32,917,906	\$5,343,544	19.4%
Advertising & Concessions	1,257,183	1,312,416	55,233	4.4%
Naming Rights	533,098	308,997	(224,101)	-42.0%
Investment Income	1,691,508	1,972,742	281,234	16.6%
Total Operating Revenues	31,056,151	36,512,061	35,455,910	17.6%
Non-Operating Revenues				
Sales & Use Tax	261,817,713	264,667,704	2,849,991	1.1%
Reimbursed Expenditures	6,174,609	13,193,480	7,018,871	113.7%
Other Revenue	667,043	505,989	(161,054)	-24.1%
Transfer from Reserve Fund—Other Sub-Funds	-	1,644,837	1,644,837	
Transfer from Reserve Fund—Revenue Stabilization	-	30,000,000	30,000,000	
Total Non-Operating Revenues	268,659,365	310,012,010	41,352,645	15.4%
TOTAL REVENUE	299,715,516	346,524,071	46,808,555	15.6%
EXPENDITURES				
Operating Expenditures				
Salaries, Payroll Taxes, Fringes	211,299,030	236,237,401	24,938,371	11.8%
Fuel & Utilities	12,329,669	12,063,542	(266,127)	-2.2%
Services, Materials, Inventory	36,956,889	38,685,852	1,728,963	4.7%
Purchased Transportation	10,334,733	15,795,313	5,460,580	52.8%
Other Expenditures	6,016,902	6,299,704	282,802	4.7%
Total Operating Expenditures	276,937,223	309,081,812	32,144,589	11.6%
<i>Revenues (Less Operating Expenses)</i>	<i>22,778,293</i>	<i>37,442,259</i>		
Transfers				
To (From) Reserve Fund	10,878,615	12,523,452	1,644,837	15.1%
To (From) Insurance Fund	2,500,000	2,500,000	-	0.0%
To (From) Bond Retirement Fund	6,627,398	9,346,959	2,719,561	41.0%
To (From) Capital Improvement Fund	21,866,868	16,812,041	(5,054,827)	-23.1%
Total Transfers	41,872,881	41,182,452	(690,429)	-1.6%
TOTAL EXPENDITURES	318,810,104	350,264,264	31,454,160	9.9%
TOTAL REVENUES OVER TOTAL EXPENDITURES	(19,094,588)	(3,740,193)	15,354,395	-80.4%
BEGINNING BALANCE JAN. 1	55,858,181	36,763,593	(19,094,588)	-34.2%
ENDING BALANCE DEC. 31	\$36,763,593	\$33,023,400	(\$3,740,193)	-10.2%



Funds

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CAPITAL IMPROVEMENT FUND

	2023	2024	\$ Change	% Change
REVENUES				
Federal / State Revenues				
Federal Capital Grants	\$53,677,554	\$92,498,466	\$38,820,912	72.3%
State Capital Grants	128,200	639,712	511,512	100.0%
Total Federal / State Revenues	53,805,754	93,138,178	39,332,424	73.1%
Other Revenue				
Investment Income	5,436,865	6,597,454	1,160,589	21.3%
Other Revenue	174,937	-	(174,937)	-100.0%
Total Other Revenue	5,611,802	6,597,454	985,652	17.6%
Transfers				
Transfers from the General Fund	21,866,868	16,812,041	(5,054,827)	-23.1%
Transfers from the Reserve Fund	10,000,000	12,415,340	2,415,340	24.2%
Total Transfers	31,866,868	29,227,381	(2,639,487)	-8.3%
TOTAL REVENUE	91,284,424	128,963,013	37,678,589	41.3%
EXPENDITURES				
RTA Development Fund Projects	71,451,754	96,042,007	24,590,253	34.4%
RTA Capital Fund Projects	2,280,004	3,428,996	1,148,992	50.4%
TOTAL EXPENDITURES	73,731,758	99,471,003	25,739,245	34.9%
EXCESS REVENUES OVER EXPENDITURES	17,552,666	29,492,010	11,939,344	68.0%
BEGINNING BALANCE JAN. 1	215,720,895	233,273,561	17,552,666	8.1%
ENDING BALANCE DEC. 31	\$233,273,561	\$262,765,571	\$29,492,010	12.6%