

# Year-End Financial Report



GREATER CLEVELAND  
TRANSIT AUTHORITY

2025 ANNUAL REPORT

## 2025 OVERVIEW

Fiscal Year 2025 has been another year of progress and accomplishment. The Greater Cleveland Regional Transit Authority (“Authority”) celebrated its 50th Anniversary. What started as a stagecoach in 1818 between Cleveland and Painesville slowly transformed into the Cleveland Transit System in 1955. In 1968, Cleveland was the first city in the Western Hemisphere to offer direct rapid transit service to a major airport. In December 1974, legislation was adopted by the Cuyahoga County Commissioners, and Cleveland City Council established the Greater Cleveland Regional Transit Authority. In September 1975, the Authority merged the Cleveland Transit System (CTS) bus routes and rapid lines and the Shaker Rapid System. We now operate 60 rail vehicles, 65 miles of track and over 300 buses to provide quality service to Cuyahoga County. A total of 54 new rail cars have been ordered through Siemens Mobility, Inc. The delivery of the first three rail cars will occur in mid-2026.

The Ohio Department of Transportation (ODOT) and the Ohio Environmental Protection Agency (OEPA) awarded the Authority \$2.7 million to purchase new CNG buses, replacing five (5) 2014 diesel buses. ODOT awarded the Authority a total of \$18.6 million, over two years, through the Ohio Transit Partnership Program (OTP2) for the Railcar Replacement Program. ODOT also awarded \$1.2 million of State Fiscal Year 2026 Transit Funding for LED signage and \$4.0 million through the Fiscal Year Urban Transit Program (UTP) for CNG buses. The Ohio Department of Development awarded the Authority \$110,210 of Tech Cred funding for various training programs. The Authority received \$1.7 million from the Northeast Ohio Areawide Coordinating Agency (NOACA) for the purchase of 20 replacement paratransit vehicles.

Our largest source of revenue, Sales and Use Tax, ended the year 3.8% above 2024 levels. Total Operating Revenues, which include Passenger Fares, Advertising & Concessions, Naming Rights and Investment Income, ended the year 5.6% below 2024. A transfer of \$45.0 million was needed from the Revenue Stabilization Fund to the General Fund to maintain the 1-month ending balance. Total revenues ended the year 6.3% above 2024 levels.

Total Operating Expenditures were 5.6% above 2024 levels. Total payroll ended the year 6.9% above 2024 levels largely due to the push to fill operator and mechanic positions and an increase in healthcare expenses. Purchased transportation for ADA/ Paratransit expenses increased by 1.5% compared to 2024. Paratransit ridership has increased 8.9% in 2025 compared to 2024.

The Authority transferred \$10.0 million to the Reserve Fund for the Railcar Replacement Program. An additional \$878,615 was transferred to the Reserve Fund for the 27th pay. Transfers of \$27.3 million were

made to the capital funds, which include 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 10.7% in 2025, not meeting the goal.

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 2.7% at the end of 2025. The Cost per Hour of Service is a measure of service efficiency, dividing total operating expenses by total service hours. The 2025 Cost per Hour of Service amounted to \$193.20, which represents a decrease of 7.3%, compared to 2024 and not meeting 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 1.2 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 5.7, 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 9.9%, nearly 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

## Operating Efficiency



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### Operating Ratio

≥ 25%

2021	9.3%
2022	12.6%
2023	11.5%
2024	12.0%
2025	10.7%

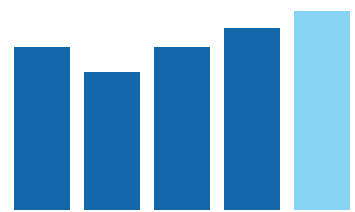


Ratio that shows the efficiency of management by comparing operating expenses to operating revenues. (Operating Revenues divided by Operating Expenses).

### Cost Per Hour of Service

\$193.24

2021	\$174.44
2022	\$168.67
2023	\$172.52
2024	\$180.02
2025	\$193.24

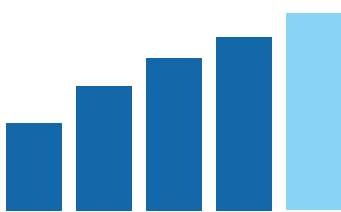


Measure of service efficiency. (Operating Expenses divided by Service Hours).

### Growth Per Year

≤ 2.9%

2021	-11.0%
2022	-3.3%
2023	2.3%
2024	4.3%
2025	7.3%

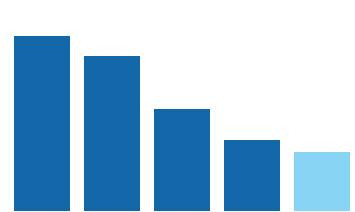


Growth in the cost of delivering a unit of service (Cost per Hour) compared to the prior year.

### Operating Reserve (Months)

≥ 1

2021	2.9
2022	2.6
2023	1.6
2024	1.3
2025	1.2



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

# Financial Policy Goals

## Capital Efficiency



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### Debt Service Coverage

≥ 1.5%

2021	3.1
2022	10.8
2023	5.7
2024	5.8
2025	5.7

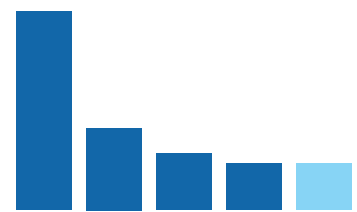


The measure of the Authority's ability to meet annual interest and principal payments on outstanding debts.

### Sales Tax Contribution to Capital

≥ 10%

2021	48.0%
2022	22.0%
2023	10.9%
2024	9.9%
2025	9.9%



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

75%-90%

2021	100%
2022	100%
2023	100%
2024	100%
2025	100%



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

# Funds

## General Fund



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REVENUES	2024	2025	\$ Change	% Change
<b>Operating Revenues</b>				
Passenger Fares	\$32,917,906	\$31,829,027	(\$1,088,879)	-3.3%
Advertising & Concessions	1,312,416	1,271,674	(40,742)	-3.1%
Naming Rights	308,997	311,473	2,476	0.8%
Investment Income	1,972,742	1,055,118	(917,624)	-46.5%
Other Operating Revenue	505,989	520,210	14,221	2.8%
<b>Total Operating Revenue</b>	<b>37,018,050</b>	<b>34,987,502</b>	<b>(2,030,548)</b>	<b>-5.5%</b>
<b>Non-Operating Revenue</b>				
Sales & Use Tax	264,667,704	274,672,465	10,004,761	3.8%
Reimbursed Expenditures	13,193,480	13,570,112	376,632	2.9%
Transfer from Reserve Fund - Other Sub-Funds	1,644,837	-	(1,644,837)	-100.0%
Transfer from Reserve Fund - Revenue Stabilization	30,000,000	45,000,000	15,000,000	50.0%
<b>Total Non-Operating Revenue</b>	<b>309,506,021</b>	<b>333,242,577</b>	<b>23,736,556</b>	<b>7.7%</b>
<b>TOTAL REVENUE</b>	<b>346,524,071</b>	<b>368,230,079</b>	<b>21,706,008</b>	<b>6.3%</b>
EXPENDITURES	2024	2025	\$ Change	% Change
<b>Operating Expenditures</b>				
Salaries, Payroll Taxes, Fringes	236,237,401	252,604,783	16,367,382	6.9%
Fuel & Utilities	12,063,541	13,431,296	1,367,755	11.3%
Services, Materials, Inventory	38,685,851	37,767,986	(917,865)	-2.4%
Purchased Transportation	15,795,313	16,033,719	238,406	1.5%
Other Expenditures	6,299,704	6,479,768	180,064	2.9%
<b>Total Operating Expenditures</b>	<b>309,081,810</b>	<b>326,317,552</b>	<b>17,235,742</b>	<b>5.6%</b>
<i>Revenues (less Operating Expenses)</i>	<i>37,442,261</i>	<i>41,912,527</i>		
<b>Transfers</b>				
To Reserve Fund	12,523,452	10,878,615	(1,644,837)	-13.1%
To Insurance Fund	2,500,000	3,000,000	500,000	20.0%
To Bond Retirement Fund	9,346,959	9,184,042	(162,917)	-1.7%
To Capital Improvement Fund	16,812,041	18,074,438	1,262,397	7.5%
<b>Total Transfers</b>	<b>41,182,452</b>	<b>41,137,095</b>	<b>(45,357)</b>	<b>-0.1%</b>
<b>TOTAL EXPENDITURES</b>	<b>350,264,262</b>	<b>367,454,647</b>	<b>17,190,385</b>	<b>4.9%</b>
<b>TOTAL REVENUES OVER TOTAL EXPENDITURES</b>	<b>(3,740,191)</b>	<b>775,432</b>	<b>4,515,623</b>	<b>-120.7%</b>
<b>BEGINNING BALANCE JANUARY 1</b>	<b>36,763,593</b>	<b>33,023,402</b>	<b>(3,740,191)</b>	<b>-</b>
<b>ENDING BALANCE DECEMBER 31</b>	<b>\$33,023,402</b>	<b>\$33,798,834</b>	<b>\$775,432</b>	<b>2.3%</b>



# Funds

## Capital Improvement Fund

REVENUES	2024	2025	\$ Change	% Change
<b>Federal / State Revenues</b>				
Federal Capital Grants	\$92,498,466	\$86,696,071	(\$5,802,395)	-6.3%
State Capital Grants	639,712	3,667,238	3,027,526	100.0%
<b>Total Federal / State Revenues</b>	<b>93,138,178</b>	<b>90,363,309</b>	<b>(2,774,869)</b>	<b>-3.0%</b>
<b>Other Revenue</b>				
Investment Income	6,597,454	7,331,001	733,547	11.1%
Other Revenue	26,520,794	29,743,533	3,222,739	12.2%
<b>Total Other Revenue</b>	<b>33,118,248</b>	<b>37,074,534</b>	<b>3,956,286</b>	<b>11.9%</b>
<b>Transfers</b>				
Transfers from the General Fund	16,812,041	18,074,438	1,262,397	7.5%
Transfers from the Reserve Fund	12,415,340	10,000,000	(2,415,340)	-19.5%
<b>Total Transfers</b>	<b>29,227,381</b>	<b>28,074,438</b>	<b>(1,152,943)</b>	<b>-3.9%</b>
<b>TOTAL REVENUE</b>	<b>155,483,807</b>	<b>155,512,281</b>	<b>28,474</b>	<b>0.0%</b>
<b>EXPENDITURES</b>				
RTA Development Fund Projects	96,042,007	120,355,582	24,313,575	25.3%
RTA Capital Fund Projects	3,428,996	2,520,990	(908,006)	-26.5%
<b>Total Expenditures</b>	<b>99,471,003</b>	<b>122,876,572</b>	<b>23,405,569</b>	<b>23.5%</b>
<b>EXCESS REVENUES OVER EXPENDITURES</b>	<b>56,012,804</b>	<b>32,635,709</b>	<b>(23,377,095)</b>	<b>-41.7%</b>
<b>BEGINNING BALANCE JANUARY 1</b>	<b>233,273,562</b>	<b>289,286,366</b>	<b>56,012,804</b>	<b>24.0%</b>
<b>ENDING BALANCE DECEMBER 31</b>	<b>\$289,286,366</b>	<b>\$321,922,075</b>	<b>\$32,635,709</b>	<b>11.3%</b>