FINANCE SUBCOMMITEE
BOARD OF DIRECTORS MEETING

Meeting Notice:

The next meeting of this subcommittee of the TARC Board of Directors will be held at:

TARC's Headquarters 1000 W. Broadway, Louisville, KY 40203
Board Room on:
Tuesday, September 21 at 1:30 p.m.

Alternately, Board members, members of the public and/or TARC staff may join via Zoom using the following:

https://zoom.us/j/96863445084?pwd=ZjdLUjNnK2VUd1dKakw4d3JYVHZCUT09

Meeting ID: 96863445084

Passcode: 534188

One tap mobile: +13017158592,,96863445084#

Pursuant to the Americans with Disabilities Act, persons with a disability may request a reasonable accommodation for assistance with the meeting or meeting materials. Please contact Ashlie Woods at 502.561.5108. Requests made as early as possible will allow time to arrange accommodation.

FINANCE SUBCOMMITEE
BOARD OF DIRECTORS MEETING

Agenda

I.	Quorum Call / Call to Order	Mary Morrow	1:30
II.	Staff Reports and Presentations a. FY 2020 Audited Financial Statements, Crowe b. FY 2021 Monthly Financial Statements	 Scott Nickerson Tonya Carter	1:35 – 1:45
III.	Review of draft Resolutions and Board Meeting Agenda a. Closed Session (at Board Meeting) b. Resolution 2021 – 31 *pending cost information* Transit Software and Operations Support Software Services: Trapeze and Vontas agreement c. Resolution 2021- 32 Excess Workers' Compensation and Excess Coverage Premium d. Resolution 2021-33 Transit Asset Management Policy restatement e. Resolution 2021-34 Acquisition of Paratransit Vehicles: Vans f. Resolution 2021-35 Acquisition of Paratransit Vehicles: Cutaways g. Updates on Board Subcommittees and future reports	 Carrie Butler	1:45 - 1:55
IV.	Proposed Agenda Items / Next Meeting Date • Recognition of Board Member Mary Morrow • Management Consulting Services • Mobile Ticketing	Carrie Butler	1:55 – 2:05
V.	Adjournment		2:10

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT)
Louisville, Kentucky

FINANCIAL STATEMENTS
June 30, 2021

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/JEFFERSON
COUNTY METRO GOVERNMENT)

FINANCIAL STATEMENTS
June 30, 2021

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Transit Authority of River City
Louisville, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Transit Authority of River City (TARC), a component unit of Louisville/Jefferson County Metro Government, as of and for the year ended June 30, 2021, and the fiduciary activities as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise TARC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of TARC as of June 30, 2021, and the fiduciary activities as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in TARC's net pension liability, schedule of TARC's contributions, and the schedule money-weighted rates of return on for the Employees' Amended Retirement Plan, the schedule of TARC's proportionate share of the net pension liability and schedule of TARC's contributions for the County Employees' Retirement System – Non-hazardous, and the schedule of TARC's proportionate share of the net OPEB liability and schedule of TARC's OPEB contributions for the County Employees' Retirement System – Non-hazardous as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise TARC's basic financial statements. The schedule of revenues, expenditures and changes in net position – budget to actual as listed in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenditures and changes in net position – budget to actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenditures and changes in net position – budget to actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated ____________, 2021 on our consideration of TARC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TARC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TARC's internal control over financial reporting and compliance.

Crowe LLP

Louisville, Kentucky
<>, 2021

Financial Highlights and Current Known Facts, Decisions and Conditions Impacting Future Periods

The management of the Transit Authority of River City (TARC) presents this narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2021.

High points for the fiscal year included new leadership at the executive level, completion of a new rapid bus line, and efforts to improve efficiencies in the delivery of public transit. The agency was also challenged by continued uncertainties related to the COVID-19 pandemic and a subsequent worker shortage across virtually all departments.

In FY 2021, TARC continued to face financial challenges due primarily to limited operating revenue. Significant adjustments to levels of service instituted in the previous fiscal year continued into FY2021 to address this challenge. It is important to note that ongoing pandemic uncertainties and the associated reduction in ridership make it difficult to accurately project the long-term financial impact on our agency or when pre-pandemic levels of travel and commuting would return. Even prior to the effects of COVID-19, sources of operations funding were not keeping pace with overall expenses of the continued increasing costs of fixed-route service, paratransit, maintenance needs, health insurance and pensions, much less to be able to leverage federal dollars with the required non-federal match.

Nonetheless, TARC completed FY2021 in a fairly stable position. Critical support from the federal sources, including Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations (CRRSAA) Act funds allowed TARC to survive the unique challenges of the pandemic. The relative stability of the Jefferson County Occupational License Fee, or Mass Transit Trust Fund, means that TARC's ending balances are at a reasonable level, and expected support from the Kentucky Transportation Cabinet places TARC in a secure near-term position.

Total occupational tax revenue, the major source of TARC operating funds, was budgeted at $53.1 million for FY2021. The actual amount of receipts for FY 2021 was $63.73 million, a 20.02% increase.

Even prior to the effects of COVID-19, sources of operations funding were not keeping pace with overall expenses to cover the required shares of federal grants, and the continued increasing costs of fixed-route service, paratransit, maintenance needs, health insurance and pensions.

In September of FY 2021, after an extensive national search, Carrie Butler was appointed as TARC's new Executive Director, bringing with her a broad base of experience in the transit field, a great knowledge about TARC operations, and a solid reputation in management of transit operations. With over 20 years in the field of transit and public service, most recently as General Manager of Lextran — Lexington, Kentucky's public transit agency (2014-2020), as well as previous experience as the Director of Planning for TARC (2002 to 2010), Butler has an extensive background at all levels of the transit industry, as well as a dedication to community engagement, and collaborative work with local, state, and federal funding agencies.

Regardless of the ongoing financial challenges preceded by COVID-19, TARC, for the eighth fiscal year in a row, did not raise fares in FY2020 and service levels were, overall, maintained. There were service adjustments made for lower performing local routes, suspension of express bus routes with low ridership, and the removal of duplicated non-revenue service in the downtown area. In the long term, this service adjustment was made to respond to the changes in commuting patterns brought about by COVID-19, and will prepare TARC for future service restructuring with the goal of improved service reliability and efficiency.

(Continued)

Financial Highlights and Current Known Facts, Decisions and Conditions Impacting Future Periods (Continued)

TARC completed a Comprehensive Operations Analysis to evaluate the current system and develop a range of improvements to help meet the changing transit needs in the greater Louisville region. This analysis examined existing transit services and identified opportunities for improving system efficiency and effectiveness. It is a planning level tool used to develop potential near-term operational changes to help deliver more effective and useful service to the community. The COA project was completed by TARC with partnership support from key agencies including Metro Louisville, the Kentucky Transportation Cabinet (KYTC), and the Kentuckiana Regional Planning and Development Agency (KIPDA).

The set of challenges of the past year and our team's resiliency and success in response leave us energized and optimistic for the road ahead. In the coming year, our team will continue efforts to increase and lock in increased funding; complete a long-range plan, ensure the highest efficiency in our routes and schedules, attract and retain a highly skilled workforce, continue to implement a low or no emissions bus fleet, and reaffirm our important role in the region's post-COVID economy. TARC remains focused on its mission to deliver transportation services that enhance the Greater Louisville community.

Overview of the Financial Statements

This annual report consists of three parts: Management Discussion and Analysis (this section), Financial Statements and Supplementary Information. The Financial Statements include notes that provide additional information relating to TARC's financial condition. Readers are encouraged to read the notes to better understand the financial statements.

Required Financial Statements

Statement of Net Position

The statement of net position includes all of TARC's assets, deferred outflows, liabilities, deferred inflows and the resulting net position, and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). The statement of net position also provides the basis for evaluating the capital structure of TARC and assessing the liquidity and financial flexibility of the organization.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position identifies the revenues generated and the expenses incurred and the resulting change in net position during the fiscal year. This statement helps the user to assess TARC's financial performance during the fiscal years covered by the Statement.

Statement of Cash Flows

The statement of cash flows provides information relating to TARC's cash receipts and cash expenditures during the fiscal year. The statement reports cash receipts, cash payments and net changes in cash, resulting from operating, non-capital, capital and financing activities, and provides answers to such questions as where did cash come from, what was cash used for and what was the change in the cash balance during the reporting period.

Budgetary Controls

TARC operates its general activities in accordance with a budget adopted by the Board and approved by the Metro Louisville Council.

(Continued)

Financial

Table 1
Condensed Statements of Net Position

	2021	2020	Change
ASSETS AND DEFERRED OUTFLOWS			
Current assets	$ 24,310,204	$ 20,331,038	$ 3,979,166
Capital assets, net	76,166,345	77,318,967	(1,152,622)
Other investments	31,000	31,000	-
Total assets	100,507,549	97,681,005	2,826,544
Deferred outflows of resources	29,017,202	27,776,190	1,241,012
Total assets and deferred outflows of resources	$ 129,524,751	$ 125,457,195	$ 4,067,556
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Current liabilities	$ 19,256,798	$ 19,305,664	$ (48,866)
Long-term liabilities	133,053,760	118,220,734	14,833,026
Total liabilities	152,310,558	137,526,398	14,784,160
Deferred inflows of resources	9,141,960	9,851,103	(709,143)
Total liabilities and deferred inflows of resources	161,452,518	147,377,501	14,075,017
Net Position:			
Net investment in capital assets	75,903,807	76,866,829	(963,022)
Unrestricted net position	(107,831,574)	(98,787,135)	(9,044,439)
Total net position	(31,927,767)	(21,920,306)	(10,007,461)
Total liabilities, deferred inflow of resources and net position	$ 129,524,751	$ 125,457,195	$ 4,067,556

Assets and Deferred Outflows of Resources
TARC's total assets and deferred outflows of resources increased $4,067,556 from FY 2020. The statement of net position indicates the most significant changes were an increase in grant receivables, decreases in prepaid expenses and capital assets, as well a net increase and deferred outflows. TARC's accounts receivables increased in large part due to a receivable from the Federal Department of Transportation totaling $10,679,617. Deferred outflows of resources are comprised of deferred outflows for both pension and Other Post-Employment Benefits (OPEB). Deferred amounts, which are employer pension and OPEB contributions subsequent to the measurement date of the net pension and net OPEB liabilities increased $1,241,012 from FY 2020.

(Continued)

Liabilities and Deferred Inflows of Resources
TARC's total liabilities and deferred inflows of resources increased $14,075,017 from FY 2020 due primarily to increases in the CERS pension liability and OPEB-related deferred inflows of resources, offset by a decrease in accounts payable.

Net Position
TARC's liabilities and deferred inflows exceeded its assets and deferred outflows by $31,927,767 at the end of FY 2021. This represents a decrease of $10,007,461 from net position at the end of FY 2021.

Capital Assets

Table 2
Summary of changes in capital assets

	Balance at July 1, 2020	Additions	Retirements (Adjustments)	Balance at June 30, 2021
Land	$ 3,177,782	$ 9,842	$ -	$ 3,187,624
Buildings	49,094,438	58,009	-	49,152,447
Coaches	115,378,686	8,282,763	(1,805,412)	121,856,037
Office and computer equipment	10,135,863	543,903	(362,598)	10,317,168
Other equipment	21,940,655	1,277,976	(1,515,015)	21,703,616
	199,727,424	10,172,493	(3,683,025)	206,216,892
Accumulated depreciation	(122,408,457)	(10,839,898)	3,197,808	(130,050,547)
Capital assets, net	$ 77,318,967	$ (667,405)	$ (485,217)	$ 76,166,345

TARC's investment in capital assets, net of depreciation, decreased by $1,152,622. The decrease is primarily due to current year depreciation of existing assets exceeding current year additions. Depreciation expense for FY 2021 was $10,916,707. Generally, capital asset purchases are completed with federal, state and/or local funding.

(Continued)

Revenues

Table 3
Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2021	2020	Dollar Change	Percent Change
OPERATING REVENUES				
Passenger transportation	$ 5,408,087	$ 7,228,489	$ (1,820,402)	(25.18%)
Special fares	1,717,095	1,771,409	(54,314)	(3.07)
Interest, advertising, and other income	1,138,975	2,132,654	(993,679)	(46.59)
Total operating revenues	8,264,157	11,132,552	(2,868,395)	(25.77)
OPERATING EXPENSES				
Labor, pension and OPEB	66,545,301	65,760,010	785,291	1.19
Depreciation	10,916,707	10,929,918	(13,211)	(0.12)
Other operating expenses	31,174,042	33,649,931	(2,475,889)	(7.36)
Total operating expenses	108,636,050	110,339,859	(1,703,809)	(1.54)
NONOPERATING REVENUES AND CAPITAL CONTRIBUTIONS				
Mass Transit Trust Fund resources	49,943,984	56,533,645	(6,589,661)	(11.66)
Federal Transit Administration	37,747,311	23,220,616	14,526,695	62.56
Indiana Department of Transportation	988,400	1,759,447	(771,047)	(43.82)
KIPDA, KTC, and Other	1,684,737	270,567	1,414,170	522.67
Total non-operating revenues and capital contributions	90,364,432	81,784,275	8,580,157	10.49
Change in net position	(10,007,461)	(17,423,032)	7,415,571	(42.56%)
Net position, beginning of year	(21,920,306)	(4,497,274)		
Net position, end of year	$ (31,927,767)	$ (21,920,306)		

TARC's operating revenues decreased 25.8% from FY 2020. TARC receives funding from sources other than operating revenue. TARC has a dedicated funding source through the Mass Transit Trust Fund ("MTTF") and also receives federal and state funding (Kentucky and Indiana). The MTTF contributed $49,069,249 for FY 2021 and $52,986,245 for FY 2020 for TARC's operating expenses and $874,735 for FY 2021 and $3,554,041 for FY 2020 for capital related purchases. The federal funding included funding for operations and capital purchases of $37,747,311 for FY 2021 and $23,220,627 for FY 2020.

Expenses

Expenses excluding depreciation were $99,810,336 for FY 2021 and $99,409,941 for FY 2020. This change represents an increase of 0.004%.

TARC is a labor-intensive industry and the cost of labor and benefits comprise the bulk of TARC's expenses. Labor and fringe benefits costs, including pension and OPEB expense, were $66,545,301 in FY 2021 and $65,760,010 in FY 2020. TARC experienced increases in both labor and health care costs. Materials and supplies expenses decreased 11.6% in FY 2021 compared to FY 2020. Casualty and insurance expenses increased by 6.3% in FY 2021 compared to FY 2020. Purchased Transportation decreased 7.5%, from $14,817,237 in FY 2021 to $16,023,819 in FY 2020. The bulk of purchased transportation is utilized to supply TARC 3 service, a service required by the Americans with Disabilities Act.

Results of Operations

TARC has made a commitment to taxpayers of this community to provide reliable and safe transportation. The economy has a direct effect on TARC's funding sources. TARC has made every effort to streamline its administrative staff. Also, the hiring and training of bus drivers is paramount in keeping operating costs at a manageable level. While there are no government-imposed limits on the balance of the MTTF, TARC's Board of Directors passed a motion that requires Board approval for the balance to go below $10,000,000. Currently, the MTTF balance, including accruals, is $27,844,858.

Requests for Additional Information

This report is intended to provide readers with a general overview of TARC's finances and to provide information regarding the receipts and uses of funds. If you need clarification regarding a statement(s) made in the report or need additional information, please contact the Transit Authority of River City, Attention: Finance Department, 1000 West Broadway, Louisville, Kentucky 40203.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

ASSETS	
Current assets:	
Cash and cash equivalents	$ 8,583,711
Accounts and grants receivable, net	
Trade receivables	3,061,012
Grant receivables	10,679,617
Materials and supplies inventory, net	1,708,613
Prepaid expenses	277,251
Total current assets	24,310,204
Noncurrent assets:	
Capital assets not being depreciated	3,187,624
Depreciable capital assets, net	72,978,721
Total capital assets	76,166,345
Other investments	31,000
Total noncurrent assets	76,197,345
Total assets	100,507,549
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	15,359,677
OPEB related	13,657,525
Total deferred outflows or resources	29,017,202
Total assets and deferred outflows of resources	$ 129,524,751

See accompanying notes to financial statements.

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

LIABILITIES	
Current liabilities:	
Current portion of capital lease obligation	$ 140,841
Accounts payable and other liabilities	14,506,489
Compensated absences	1,923,017
Estimated liability for uninsured liability claims	784,033
Estimated liability for uninsured workers' compensation claims	345,525
Unearned revenue	1,556,893
Total current liabilities	19,256,798
Noncurrent liabilities:	
Capital lease, less current portion	121,697
Compensated absences	1,697,365
Estimated liability for uninsured liability claims	1,230,667
Estimated liability for uninsured workers' compensation claims	2,952,163
Net pension liability:	
County Employee Retirement System	95,946,369
TARC Pension Plan	907,047
Net OPEB liability	30,198,452
Total net pension liability and net OPEB liability	127,051,868
Total noncurrent liabilities	133,053,760
Total liabilities	152,310,558
Deferred inflows of resources	
Pension related	2,905,567
OPEB related	6,236,393
Total deferred inflows of resources	9,141,960
Total liabilities and deferred inflows of resources	161,452,518
NET POSITION	
Net investment in capital assets	75,903,807
Unrestricted	(107,831,574)
Total net position	(31,927,767)
Total liabilities, deferred inflows of resources and net position	$ 129,524,751

See accompanying notes to financial statements.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year ended June 30, 2021

Operating revenues	
Passenger fares	$ 5,408,087
Special transit fares	1,717,095
Advertising	634,167
Interest	2,303
Charter service	118,000
Other revenue	274,085
Recoveries	110,420
Total operating revenues	8,264,157
Operating expenses	
Labor	28,968,059
Fringe benefits, budget basis	28,751,527
Plus: annual pension adjustments	7,422,545
Plus: annual OPEB adjustments	1,403,170
Total labor, fringe benefits, pension and OPEB	66,545,301
Services	4,865,766
Development costs	900,225
Materials and supplies	6,054,166
Utilities	943,600
Casualty and insurance	3,200,840
Miscellaneous	350,325
Rentals and purchased transportation	14,817,237
Interest	32,468
Depreciation	10,916,707
Loss on disposal	9,415
Total operating expenses	108,636,050
Loss from operations	(100,371,893)
Non-operating revenues	
Mass Transit Trust Fund and interest	49,069,249
Mass Transit Trust Fund capital assistance for operating	598,497
Federal Transit Administration	29,020,560
Indiana Department of Transportation	972,337
Kentucky Regional Planning and Development Agency/Other	59,188
Total non-operating revenues	79,719,831
Loss before capital contributions	(20,652,062)
Capital contributions:	
Mass Transit Trust Fund and interest	276,238
Federal Transit Administration and Pass-Through Entities	8,726,751
KIPDA and other	1,641,612
Total capital contributions	10,644,601
Change in net position	(10,007,461)
Net position, beginning of year	(21,920,306)
Net position, end of year	$ (31,927,767)

See accompanying notes to financial statements.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2021

Cash flows from operating activities	
Receipts from passengers and service contracts	$ 7,536,657
Payments to suppliers	(19,055,684)
Payments to employees	(57,356,058)
Net cash used in operating activities	(68,875,085)
Cash flows from non-capital financing activities	
Federal assistance	24,496,862
State assistance	1,031,525
Mass Transit Trust Fund operational receipts	43,119,168
Net cash provided by non-capital financing activities	68,647,555
Cash flows from capital and related financing activities	
Payments on capital lease obligation	148,700
Government Federal subsidies	10,368,363
Mass transit trust fund capital subsidies	708,370
Proceeds from disposal of capital assets	152,648
Purchases of capital assets	(11,058,540)
Net cash used in capital and related financing activities	319,541
Cash flows from investing activities	
Interest activity	2,303
Net increase in cash and cash equivalents	94,314
Cash and cash equivalents, beginning of year	8,489,397
Cash and cash equivalents, end of year	$ 8,583,711
Reconciliation of loss from operations to net cash used in operating activities:	
Loss from operations	$ (100,371,893)
Adjustments to reconcile loss from operations to net cash used in operating activities	
Depreciation and development costs	11,816,932
Net pension liability, deferred outflows and deferred inflows	7,422,545
Net OPEB liability, deferred outflows and deferred inflows	1,403,170
(Increase) decrease in:	
Trade accounts receivable	(231,688)
Inventories	(187,340)
Prepaid expenses	1,057,874
Accounts payable and other liabilities	9,316,667
Accrued compensated absences	96,400
Estimated liability for uninsured liability claims	551,900
Estimated liability for uninsured workers' compensation claims	746,160
Unearned revenue	(495,812)
Net cash used in operating activities	$ (68,875,085)

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND -PENSION TRUST FUND
December 31, 2020

ASSETS	
Investments, at fair value	$ 1,059,054
Other receivables	563
Total assets	$ 1,059,617
LIABILITIES	
Administrative expenses payable	4,920
Total liabilities	4,920
NET POSITION	
Net position restricted for pensions	$ 1,054,697

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND – PENSION TRUST FUND
Year ended December 31, 2020

Additions	
Investment income:	
Net appreciation in fair value of investments	$ 90,577
Interest and dividends	18,582
	109,159
Employer contributions	289,128
Total additions	398,287
Deductions	
Benefit paid to participants	414,905
Administrative expenses	32,762
Total deductions	447,667
Net decrease in net position	(49,380)
Plan fiduciary net position, beginning of year	1,104,077
Plan fiduciary net position, end of year	$ 1,054,697

See accompanying notes to financial statements.

NOTE 1 - NATURE OF ORGANIZATION

The Transit Authority of River City ("TARC" or the “Authority”) is a public corporation created by joint proceedings of the City of Louisville and Jefferson County Fiscal Court pursuant to KRS Chapter 96A of the Commonwealth of Kentucky to provide public transportation for Louisville, Kentucky and its metro areas. TARC is considered a discretely presented component unit of Louisville/Jefferson County Metro Government for financial statement reporting purposes. In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, TARC has adopted the accounting methods appropriate for a governmental enterprise fund. TARC is a government entity and exempt from federal and state income taxes.

Budgetary Controls: Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except that the budget omits depreciation expense and accounts for the principal portion of the capitalized lease payments as an expense. Appropriated budgets are adopted on an annual basis. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects. Legal budgetary control is established at the fund level (i.e. expenditures for a fund may not exceed the total appropriation amount). TARC is authorized to transfer budgeted amounts within the fund; however, any revisions that alter the total expenditures must be approved by Louisville/Jefferson County Metro Government Council. TARC's management prepares the annual budget and submits it to the Board of Directors (the "Board") for approval. This has historically been performed in April or May of each year. The Board-approved budgets for the 2021 fiscal year were submitted to and approved by Louisville/Jefferson County Metro Government Council in June 2020.

Concentration of Funding: TARC relied on local funding from the Mass Transit Trust Fund (“MTTF” or the “Fund”) for 50.64% of total revenue in 2021. The Fund administers the proceeds of the Louisville-Jefferson County Metro Government (“Metro Government”) occupational license tax authorized by the electorate to finance a mass transportation program in Metro Louisville. The assets of the Fund are restricted to finance the operating deficits and capital expenditures approved in the Annual Budget by the Metro Government Council for TARC. TARC also relies on federal assistance for operations and capital acquisitions. Federal revenues represented approximately 38.27% of total revenues in 2021.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of TARC have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units by the Governmental Accounting Standards Board (“GASB”). TARC operates as an enterprise fund and all activities are accounted for using the economic resources measurement focus and the accrual basis of accounting.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund: The Authority is a single-enterprise proprietary fund and uses the accrual basis of accounting. Proprietary funds are used to account for operations that are financed in a manner similar to a private business enterprise and that a periodic determination of revenues earned, expenses incurred and/or change in net position is appropriate for capital maintenance, public policy, management control, accountability or other purposes. Authority activities are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recognized as soon as they result in liabilities for the benefits provided. Proprietary funds distinguish operating revenues and expenses from non-operating items:

- Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the Authority are charges to customers in the form of bus fares and reimbursement by sponsors of subsidized routes.
- Operating expenses include the cost of providing transit service, administrative expenses and depreciation and amortization on capital assets.
- Property taxes, federal, state, and local assistance used to finance operations and expenses not related to the provision of transit service are reported as non-operating revenues and expenses.

It is the Authority's policy to apply restricted resources first when an obligation is incurred for which both restricted and unrestricted net position are available for use.

Fiduciary Fund: The Authority's defined benefit pension trust fund is presented in a fiduciary fund in the accompanying financial statements. These assets are being held for the benefit of pension participants and cannot be used for the activities or obligations of the Authority. The Fiduciary Fund has been presented as of its fiscal year end December 31, 2020.

Implementation of Accounting Standards: The Authority adopted the following accounting standard during the year, which was determined to be relevant to the Authority's financial reporting:

- GASB Statement No. 84, *Fiduciary Activities*. The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Adoption of this standard resulted in the inclusion of the Statement of Fiduciary Net Position (Fiduciary Fund) and the Statement of Changes in Fiduciary Net Position (Fiduciary Fund) in the Authority's financial statements, which report the activity of the Authority's defined benefit pension trust fund.

The Authority adopted the following accounting standard during the year, which was determined to have no impact on the Authority's financial position or results of operations:

- GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61.* The objective of the Statement is to establish criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: TARC considers all highly liquid investments (including restricted investments) purchased with an original maturity of three months or less to be cash equivalents.

Prepaid Expenses: Prepaid expenses consist of normal operating expenses for which payment is due in advance such as insurance and are expensed when the benefit is received.

Accounts Receivable: TARC uses the allowance for bad debts method of valuing doubtful accounts receivable, which is based on historical experience, coupled with a review of the current status of existing receivables. Management has recorded an allowance for doubtful accounts of $3,956 at June 30, 2021.

Materials and Supplies Inventory: Inventory consists of fuel, tires, repair parts and supplies. No general administrative expenses are included in the inventory valuation. Expenses are recorded as the materials are consumed. Inventory is valued at the lower of cost or market using the first-in, first-out method.

Capital Assets: Capital assets are stated at cost and depreciated over their estimated useful lives using the straight-line method. TARC's depreciation policy requires that all qualifying assets with costs in excess of $500 to be capitalized. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives are five to forty years for land improvements, forty years for buildings, ten to twenty years for building repairs and improvements, twelve years for coaches and capitalized vehicles, five years for other equipment, and five years for office equipment. TARC has acquired certain assets with funding provided by federal assistance from the FTA grant programs. TARC holds title to these assets; however, the federal government retains an interest in these assets should TARC no longer use the assets for mass transit purposes. TARC periodically reviews the carrying values of property and equipment for impairment whenever adverse events or changes in circumstances indicate the carrying value of the asset may not be recoverable.

Net Position: GASB requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These net position classifications are defined as follows:

- Net investment in capital assets - This component consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position – This component consists of any externally restricted funds or enabling legislation.
- Unrestricted net position - This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Self-Insurance: TARC is self-insured for workers' compensation and liability claims up to varying deductible amounts per occurrence for workers' compensation and liability claims. Other liability claims incurred prior to January 1, 1987 and workers' compensation claims in excess of the self-insured amounts are covered by varying amounts of insurance.

TARC is self-insured for cyber property and liability claims per occurrence for third party liability coverages and data breach crisis management, first party network business interruption and extra expenses property coverages, and first party data breach crisis management property coverages to replace, recreate, restore or repair damaged programs, software or electronic data.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in TARC's liability for uninsured workers' compensation and uninsured liability claims for the year ended June 30, 2021 are as follows:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance	Due Within One Year
Uninsured worker's compensation	$ 2,551,528	$ 1,273,206	$ 527,046	$ 3,297,688	$ 345,525
Uninsured liability claims	$ 1,462,800	$ 1,653,700	$ 1,101,800	$ 2,014,700	$ 784,033

Excess coverage can be purchased through Louisville Area Governmental Self-Insurance Trust. TARC participates in the Louisville Area Governmental Self Insurance Trust (the "Trust"). The Trust provides insurance coverage on liability claims made in excess of each member's deductible amount. The amount of coverage available to TARC could be limited by the total assets of the Trust.

There have been no significant reductions in insurance coverage from the previous year. Settlement amounts have not exceeded insurance coverage in any of the past three fiscal years for uninsured worker's compensation and uninsured liability claims at the TARC level.

Compensated Absences: Accrued compensated absences represent vested or accumulated sick time and vacation leave that is expected to be liquidated with expendable available financial resources. Full-time employees who have a continuous service record of one year or longer are entitled to an annual vacation from one to six weeks, based on a predetermined schedule. TARC's policy permits employees to accumulate earned but unused vacation. Employees can receive payment for earned, but unused vacation leave up to 240 hours. For bargaining employees, if the employee's predetermined schedule is changed by TARC's management, TARC is required to reschedule the employee's vacation time, which may carry the time over to the following year. In the event the non-bargaining employee has not taken his or her vacation by the end of the calendar year then his or her vacation time can be taken, paid or lost as deemed prudent by TARC's management. All full-time active employees earn sick days at the rate of 5/6 of a day per month, 10 days per year, up to a maximum of 145 days. Upon retirement, the following two options are available for the unused sick day accumulation:

a. TARC will buy back all accumulated sick days at 100% of the employee's current pay rate, or
b. If the employee is a member of TARC's retirement plan, the unused sick days can be considered as time worked to either advance a normal retirement date and increase service credits.

Changes in TARC's liability for compensated absences for the year ended June 30, 2021 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	$ 3,523,982	$ 5,107,395	$ 5,010,995	$ 3,620,382	$ 1,923,017

Unearned Revenue: Advance fare media that have not been redeemed through the fare box are shown as unearned revenue. Unearned revenue at June 30, 2021 was $1,556,893.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Pension Liability: TARC has recorded a net pension liability reflecting the difference between the total pension liabilities and the fiduciary net positions of the single employer defined benefit plan and the County Employees Retirement System plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the single employer defined benefit plan and the County Employees Retirement System (CERS) plan and additions to deductions from the single employer defined benefit plan and the CERS plan fiduciary net position have been determined on the same basis as they are reported by the single employer defined benefit plan and the CERS plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	Beginning Balance	Net Change	Ending Balance
At June 30, 2021:			
TARC Pension Plan	$ 1,200,456	$ (293,409)	$ 907,047
CERS	92,870,861	3,075,508	95,946,369
Net pension liability	$ 94,071,317	$ 2,782,099	$ 96,853,416

Net OPEB Liability: TARC has recorded a net OPEB liability reflecting the difference between the total OPEB liability and the fiduciary net positions of the County Employees Retirement System plan. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CERS plan and additions to deductions from the CERS plan fiduciary net position have been determined on the same basis as they are reported by the CERS plan. For this purpose, benefit payments recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

	Beginning Balance	Net Change	Ending Balance
At June 30, 2021:			
Net OPEB liability	$ 22,204,681	$ 7,993,771	$ 30,198,452

Deferred Outflows of Resources and Deferred Inflows of Resources: These deferred amounts represent a consumption (outflow) or acquisition (inflow) of net position that applies to future periods. TARC's activities are related to recognition of changes in its defined benefit plans' net pension liability and net OPEB liability totaling $9,141,960 of deferred inflows of resources and $29,017,202 of deferred outflows of resources that will be amortized to expense in future periods.

Operating Revenues and Expenses: Operating revenues and expenses generally result from providing services in connection with ongoing operations. Revenues are recorded as income in a manner consistent with the timing of the provided service. Operating expenses include the cost of delivering services, administrative expenses and depreciation expenses on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fare Revenues: Passenger fares are recorded as revenue at the time such services are performed, and revenues pass through the fare box. Sales of Stored Rides, Period Passes, and Pay as you go are recorded initially as unredeemed fares and recognized as income upon passage through the fare box. All other fare products are considered revenue when purchased.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital and Operating Grants: Certain expenditures for capital acquisitions, improvements and development of an urban mass transportation system have received significant federal funding through the Federal Transit Administration (FTA). The balance of such expenditures is funded through various grants and receipts from MTTF. Funds provided by governmental authorities for capital and operating assistance are recorded when earned.

Risks and Uncertainties: In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and spread around the world, with resulting business and social disruption. Coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In response, governments and businesses worldwide have restricted access to public facing institutions, those deemed non-essential. These closures have led to significant, adverse changes in macroeconomic conditions – constraints on supply chain, sourcing of inputs and workforce availability. The extent to which the coronavirus impacts results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact; among others.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

A summary of cash, certificate of deposit and investments at June 30, 2021 is as follows:

	Cash and Cash Equivalents
Operating accounts:	
Cash in bank and on hand	$ 1,497,473
U.S. Government money market	7,086,238
Total cash and cash equivalents	8,583,711
Certificate of deposit (Other Investments)	31,000
Total	$ 8,614,711

The bank balance of cash, cash equivalents and certificate of deposit as of June 30, 2021 was $8,734,562. The difference represents outstanding checks and deposits.

Custodial Credit Risk: Custodial credit risk for deposits and investments is the risk that, in the event of failure by a financial institution, TARC may not be able to recover the value of its deposits and investments or collateral securities that are in the possession of the financial institution. TARC's investment policy dictates that all cash and investments maintained in any financial institution named as a depository be collateralized and the collateral held in the name of TARC. TARC's cash deposits at June 30, 2021, were entirely covered by FDIC insurance or by pledged collateral held by TARC's agent bank in TARC's name.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of investments will adversely affect the fair value of an investment. TARC's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are made based upon prevailing market conditions at the time of the transaction. TARC reviews its cash and investment needs in order to maintain adequate liquidity to meet its cash flow needs. Assets categorized as short-term operating funds will be invested in investments maturing in 12 months or less.

(Continued)

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Investments are made under the 'prudent investor' standard to ensure that (a) due diligence is exercised in accordance with State law, (b) any negative deviations are reported timely and (c) reasonable action is taken to control any adverse developments. TARC's investment policy requires investment in instruments authorized in KRS 66.480(a)-(d).

Concentration of Credit Risk: TARC's investment policy requires diversification of the overall portfolio to eliminate the risk of loss from an over-concentration of assets in a specific class of security, a specific maturity, and/or a specific issuer.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. TARC is not exposed to this risk and its investment policy does not provide for investments in foreign currency denominated securities.

NOTE 4 - CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2021 are summarized as follows:

	Balance at July 1, 2020	Additions	Retirements (Adjustments)	Balance at June 30, 2021
Capital Assets, Not Being Depreciated				
Land	$ 3,177,782	$ 9,842	$ -	$ 3,187,624
Depreciable Capital Assets, Net				
Buildings	49,094,438	58,009	-	49,152,447
Coaches	115,378,686	8,282,763	(1,805,412)	121,856,037
Office and computer equipment	10,135,863	543,903	(362,598)	10,561,745
Other equipment	21,940,655	1,277,976	(1,515,015)	21,459,039
	196,549,642	10,162,651	(3,683,025)	203,029,268
Accumulated depreciation for:				
Buildings	(26,291,502)	(1,547,794)	-	(27,839,296)
Coaches	(71,793,534)	(7,007,674)	1,805,412	(76,995,796)
Office and computer equipment	(7,412,701)	(907,943)	362,598	(7,958,046)
Other equipment	(16,910,720)	(1,376,487)	1,029,798	(17,257,409)
	(122,408,457)	(10,839,898)	3,197,808	(130,050,547)
Total	74,141,185	(677,247)	(485,217)	72,978,721
Capital assets, net	$ 77,318,967	$ (667,405)	$ (485,217)	$ 76,166,345

(Continued)

NOTE 5 – LINE OF CREDIT BORROWINGS

TARC entered into a direct borrowing agreement with Fifth Third Bank that established an unsecured line-of-credit whereby TARC had available borrowings up to $15,000,000 for the period July 1, 2020 to November 30, 2020. Effective December 1, 2020, TARC amended the borrowing agreement which provides for available borrowings up to $6,000,000 through its maturity date on November 30, 2021. The interest rate is the 30-day LIBOR rate plus 1.50% (1.60% at June 30, 2021). There was no outstanding balance on the line of credit as of June 30, 2021.

NOTE 6 - LOUISVILLE METRO GOVERNMENT - MASS TRANSIT TRUST FUND

The majority of TARC's funding is from an occupational tax levied on residents of Jefferson County, Kentucky. A tax of 0.2% of taxable income is levied annually. The taxes are collected by the Revenue Commission of the Louisville Metro Government and deposited into MTTF. TARC is authorized to draw MTTF funds for operating and capital expenditures.

For the year ended June 30, 2021, TARC recorded nonoperating revenues of $49,069,249 and $874,735 for capital assistance for operations and capital contributions from MTTF. TARC may receive authorization to draw amounts in excess of originally authorized amounts in order to manage cash flow during the year. Any such excess (or under) draws are recorded as a payable (receivable) to MTTF. At June 30, 2021, TARC recorded a receivable due from MTTF for $153,663.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

TARC entered into a contract for purchased transportation service which expires on December 10, 2024. Purchased transportation services expense for the year ended June 30, 2021 was $14,817,237. TARC has a contract that expires March 2023 with a vendor for the use of bus tires. The monthly charge to operations is based on mileage placed on the tires. Tire usage expense for the year ended June 30, 2021 was $622,880.

TARC is dependent upon the availability of diesel fuel. Increases in the cost of fuel may, in the future, adversely affect the profitability of TARC. There is no assurance that diesel fuel prices will not increase. To alleviate possible fuel cost increases, TARC periodically enters into fixed unit cost fuel contracts with fuel suppliers to purchase fuel at or below current market prices. In February 2021, TARC entered into an agreement with a fuel supplier to provide diesel fuel to support the fleet operation for twenty-four (24) months at a fixed price of $1.7887 per gallon of up to 2,000,000 gallons. The base amount of this contract is for $7,152, 800.00, which is based on the estimated annual fuel usage of TARC of 2,000,000 gallons multiplied by the contractor's bid excluding taxes. The contract not to exceed amount is $7,512,000 which allows for a 5% increase, if needed, to support any potential increase in the last year of the term.

Expenditures financed by federal and state grants are subject to audit by the granting agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although TARC expects such amounts, if any, to be immaterial.

(Continued)

NOTE 7 – COMMITMENTS AND CONTINGENCIES (Continued)

TARC is subject to various legal actions and general asserted and unasserted claims arising in the ordinary course of its business. Litigation is subject to many uncertainties; the outcome of individual litigated matters is not predictable with assurance. While it is reasonably possible that some of these foregoing matters may be decided unfavorably to TARC within the next year, it is the opinion of management that the ultimate liability, if any, with respect to these matters will not materially affect the financial position of TARC.

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS

General Information About the Pension and OPEB Plan: All full-time and eligible part-time employees of TARC participate in County Employee Retirement System (CERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky Retirement System (KRS), an agency of the Commonwealth. Under the provisions of Kentucky Revised Statute Section 78.520, the Board of Trustees (the Board) of KRS administers CERS, Kentucky Employee Retirement System, and State Police Retirement System. Although the assets of the systems are invested as a whole, each system's assets are used only for the payment of benefits to members of that plan, and a pro rata share of administrative costs.

The plan provides for retirement, disability and death benefits to plan members. Retirement benefits may also be extended to beneficiaries of plan members under certain circumstances. Under the provisions of Kentucky Revised Statute Section 61.701, the Board of KRS also administers the Kentucky Retirement Systems Insurance Fund. The statutes provide for a single insurance fund to provide group hospital and medical benefits to retirees drawing a benefit from the three pension funds administered by KRS. The assets of the insurance fund are invested as a whole. KRS and the Commonwealth have statutory authority to determine Plan benefits and employer contributions.

KRS issues a publicly available financial report that includes financial statements and required supplementary information for CERS. The report may be obtained by writing to Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601, or it may be found at the KRS website at www.kyret.ky.gov.

Basis of Accounting: For purposes of measuring the net pension and other post-employment benefits plan (OPEB) liabilities, deferred outflow of resources and deferred inflow of resources related to pensions and OPEB, pension and OPEB expense, information about the fiduciary net position of CERS and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Benefits Provided: The information below summarizes the major retirement benefit provisions of CERS-non-hazardous. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

***Members whose participation began before 8/1/2004*:**
Age and Service Requirement: Age 65 with at least one month of non-hazardous duty service credit, or at any age with 27 or more years of service credit.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Benefit: If a member has at least 48 months of service, the monthly benefit is 2.20% times final average compensation times years of service depending on participation and retirement dates. Final compensation is calculated by taking the average of the highest five (5) fiscal years of salary. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used. If a member has less than 48 months of service, the monthly benefit is the actuarial equivalent of two times the member's contributions with interest.

Members whose participation began on or after 8/1/2004, but before 9/1/2008:
Age and Service Requirement: Age 65 with at least one month of non-hazardous duty service credit, or at any age with 27 or more years of service credit.

Benefit: If a member has at least 48 months of service, the monthly benefit is 2.00% multiplied by final average compensation, multiplied by years of service. Final compensation is calculated by taking the average of the highest five (5) fiscal years of salary. If the number of months of service credit during the five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used. If a member has less than 48 months of service, the monthly benefit is the actuarial equivalent of two times the member's contributions with interest.

Members whose participation began on or after 9/1/2008 but before 1/1/2014:
Age and Service Requirement: Age 65 with 60 months of non-hazardous duty service credit, or age 57 if age plus service equals at least 87.

Benefit: The monthly benefit is the following benefit factor based on service credit at retirement plus 2.00% for each year of service greater than 30 years, multiplied by final average compensation, multiplied by years of service.

Service Credit	Benefit Factor
10 years or less	1.10%
10+ - 20 years	1.30%
20+ - 26 years	1.50%
26+ - 30 years	1.75%

Final compensation is calculated by taking the average of the last (not highest) five (5) complete fiscal years of salary. Each fiscal year used to determine final compensation must contain twelve (12) months of service credit.

Members whose participation began on or after 1/1/2014:
Age and Service Requirement: Age 65 with 60 months of non-hazardous duty service credit, or age 57 if age plus service equals at least 87.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Benefit: Each year that a member is an active contributing member to the System, the member contributes 5.00% of creditable compensation, and the member's employer contributes 4.00% of creditable compensation, which is a portion of the total employer contribution, into a hypothetical account. The hypothetical account will earn interest annually on both the member's and employer's contribution at a minimum rate of 4.00%. If the System's geometric average net investment return for the previous five years exceeds 4.00%, then the hypothetical account will be credited with an additional amount of interest equal to 75.00% of the amount of the return which exceeds 4.00%. All interest credits will be applied to the hypothetical account balance on June 30 based on the account balance as of June 30 of the previous year. Upon retirement the hypothetical account which includes member contributions, employer contributions and interest credits can be withdrawn from the System as a lump sum or annuitized into a single life annuity option.

OPEB Benefits Provided: The information below summarizes the major retirement benefit provisions of CERS-non-hazardous. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions:

Insurance Tier 1: Participation began before 7/1/2003

Benefit Eligibility: Recipient of a retirement allowance

Benefit: The percentage of member premiums paid by the retirement system are dependent on the number of years of service. Benefits also include duty disability retirements, duty death in service, non-duty death in service and surviving spouse of a retiree.

Insurance Tier 2: Participation began on or after 7/1/2003, but before 9/1/2008

Benefit Eligibility: Recipient of a retirement allowance with at least 120 months of service at retirement

Benefit: The system provides a monthly contribution subsidy of $10 for each year of earned service. The monthly contribution is increased by 1.5% each July 1. Benefits also include duty disability retirements, duty death in service and non-duty death in service.

Insurance Tier 3: Participation began on or after 9/1/2008

Benefit Eligibility: Recipient of a retirement allowance with at least 180 months of service at retirement

Benefit: The system provides a monthly contribution subsidy of $10 for each year of earned service. The monthly contribution is increased by 1.5% each July 1. Benefits also include duty disability retirements, duty death in service and non-duty death in service.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Contributions: TARC was required to contribute at an actuarially determined rate determined by Statute. Per Kentucky Revised Statute Section 78.545(33) normal contribution and past service contribution rates shall be determined by the KRS Board on the basis of an annual valuation last preceding July 1 of a new biennium. The KRS Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the KRS Board.

For the fiscal year ended June 30, 2021, participating employers contributed 24.06% (19.30% allocated to pension and 4.76% allocated to OPEB) as set by KRS, respectively, of each Non-hazardous employee's creditable compensation. These percentages are inclusive of both pension and insurance payments for employers. Administrative costs of KRS are financed through employer contributions and investments earnings.

TARC has met 100% of the contribution funding requirement for the fiscal year ended June 30, 2021. Total current year contributions recognized by the Plan were $7,669,209 ($6,151,942 related to pension and $1,517,267 related to OPEB) for the year ended June 30, 2021. The OPEB contributions amount does not include the implicit subsidy reported in the amount of $741,134.

Members whose participation began before 9/1/2008:

Non-hazardous member contributions equal 5% of all creditable compensation. Interest paid on the members' accounts is currently 2.5%; and per statute shall not be less than 2.0%. Members are entitled to a full refund of contributions with interest.

Members whose participation began on or after 9/1/2008:

Non-hazardous member contributions equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) Account. Interest paid on the members' accounts will be set at 2.5%. Members are entitled to a full refund of contributions and interest in their individual account, however, the 1% contributed to the insurance fund is non-refundable.

Members whose participation on or after 1/1/2014:

Non-hazardous member contributions equal to 6% of all creditable compensation, with 5% being credited to the member's account and 1% deposited to the KRS 401(h) Account. Members are entitled to a full refund of contributions and interest on the member's portion of the hypothetical account, however, the 1% contributed to the insurance fund is non-refundable.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

PENSION INFORMATION

Total Pension Liability: The total pension liability ("TPL") was determined by an actuarial valuation performed as of June 30, 2019. An expected TPL was determined at June 30, 2020 using standard roll-forward techniques. The following actuarial assumptions were applied to all periods included in the measurement:

Price inflation:	2.30%
Salary increases:	3.30% to 10.30%, varying by service years, including inflation
Investment rate of return:	6.25%, net of pension plan investment expense, including inflation

The mortality table used for active members is PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members and beneficiaries, the mortality table used is the PUB-2010 General Mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019 (set back 3 years for males). For disabled members, the mortality table used is the PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

(a) **Discount Rate**: The discount rate used to measure the total pension liability was 6.25%, which did not change from the prior year.

(b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the statutorily determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period.

(c) **Long-Term Rate of Return**: The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering fiscal years 2013 through 2018 is outlined in a report dated April 12, 2019. However, the Board of KRS has the authority to review the assumptions on a more frequent basis and adopt new assumptions prior to the next scheduled experience study. The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

(d) **Municipal Bond Rate**: The discount rate determination does not use a municipal bond rate.

(e) **Periods of Projected Benefit Payments**: The long-term assumed rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

(f) **Assumed Asset Allocation:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth:		
US equity	18.75%	4.30%
Non-US equity	18.75	4.80
Private equity	10.00	6.65
Specialty credit/high yield	15.00	2.60
Liquidity:		
Core bonds	13.50	1.35
Cash	1.00	0.20
Diversifying strategies:		
Real estate	5.00	4.85
Opportunistic	3.00	2.97
Real return	15.00	4.10
Total	100.00%	

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

(g) **Sensitivity Analysis:** This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents TARC's allocated portion of the net pension liability ("NPL") of the System, calculated using the discount rate of 6.25%, as well as what TARC's allocated portion of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25%) or 1 percentage-point higher (7.25%) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
TARC's net position liability - Non-hazardous	$ 118,322,751	$ 95,946,369	$ 77,417,874

Employer's Portion of the Collective Net Pension Liability: TARC's proportionate share of the net pension liability, as indicated in the prior table, is $95,946,369, or approximately 1.25%. The net pension liability was distributed based on 2020 actual employer contributions to the plan. TARC's prior year proportionate share of the net pension liability was $92,870,861, or approximately 1.32%.

Measurement Date: June 30, 2019 is the actuarial valuation date and June 30, 2020 is the measurement date upon which the total pension liability is based.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Changes in Assumptions and Benefit Terms: Since the prior measurement date, there were no changes in assumptions, however benefit terms were updated as follows, which did not have a material impact on the total pension liability:

- The monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse was reduced.
- Benefits were increased for a small number of beneficiaries.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

Pension Expense: TARC was allocated pension expense of $13,672,708 related to the CERS for the year ended June 30, 2021.

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled as deferred inflows. If they will increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:	$ 2,392,599	$ -
Change of assumptions:	3,746,544	-
Changes in proportion and differences between employer contributions and proportionate shares of contributions:	391,615	2,828,991
Differences between expected and actual investment earning on plan investments:	2,400,937	-
	8,931,695	2,828,991
Contributions subsequent to the measurement date:	6,151,942	-
Total:	$ 15,083,637	$ 2,828,991

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of $6,151,942 will be recognized as a reduction of net pension liability in the year ending June 30, 2022. The remainder of the deferred outflows and deferred inflows of resources are amortized over two to four years with remaining amortization as follows:

Year ending June 30:	
2022	$ 2,820,201
2023	1,340,969
2024	977,262
2025	964,272
	$ 6,102,704

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued CERS pension plan financial reports.

OPEB INFORMATION

Total OPEB Liability: The total other postemployment benefits plan (“OPEB”) liability was determined by an actuarial valuation as of June 30, 2019. An expected total OPEB liability was determined at June 30, 2020 using standard roll-forward techniques. The following actuarial assumptions were applied to all periods included in the measurement:

Price inflation:	2.30%
Payroll growth rate:	2.00%
Salary increases:	3.30% to 10.30%, varying by service years, including inflation
Investment rate of return:	6.25%, net of pension plan investment expense, including inflation
Healthcare trend rates:	
Pre-65:	Initial trend starting at 7.25% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years
Post-65:	Initial trend starting at 5.10% at January 1, 2019 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years

The mortality table used for active members is PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members and beneficiaries, the mortality table used is the PUB-2010 General Mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2019 (set back 3 years for males). For disabled members, the mortality table used is the PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

Discount rate assumptions:

(a) **Discount Rate:** The discount rate used to measure the total OPEB liability was 5.34%, which decreased from the 5.68% discount rate used in the prior year.

(b) **Projected Cash Flows:** The projection of cash flows used to determine the discount rate assumed the local employers and plan members would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability.

(c) **Long-Term Rate of Return:** The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the System. The most recent analysis, performed for the period covering fiscal years 2013 through 2018 is outlined in a report dated April 12, 2019. However, the Board of KRS has the authority to review the assumptions on a more frequent basis and adopt new assumptions prior to the next scheduled experience study. The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

(d) **Municipal Bond Rate**: The discount rate determination used a municipal bond rate of 2.45% as reported in Fidelity Index's "20 – Year Municipal GO AA Index" as of June 30, 2020.

(e) **Period of Projected Benefit Payments:** Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the system's actuarial determined contributions, and it is the actuary's understanding that any cost associated with the implicit subsidy will not be paid out of the system's trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

(f) **Assumed Asset Allocations**: The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Growth:		
US equity	18.75%	4.30%
Non-US equity	18.75	4.80
Private equity	10.00	6.65
Specialty credit/high yield	15.00	2.60
Liquidity:		
Core bonds	13.50	1.35
Cash	1.00	0.20
Diversifying strategies:		
Real estate	5.00	4.85
Opportunistic	3.00	2.97
Real return	15.00	4.10
Total	100.00%	

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

(g) **Sensitivity Analysis**: This paragraph requires disclosure of the sensitivity of the net OPEB liability to changes in the discount rate and changes in the healthcare cost trend rate.

The following presents TARC's allocated portion of the net OPEB liability of the System, calculated using the discount rate of 5.34%, as well as what TARC's allocated portion of the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.34%) or 1-percentage-point higher (6.34%) than the current rate for non-hazardous:

	1% Decrease (4.34%)	Current Discount Rate (5.34%)	1% Increase (6.34%)
Net OPEB liability	$ 38,796,146	$ 30,198,452	$ 23,136,881

The following presents TARC's allocated portion of the net OPEB liability of the System, calculated using the healthcare cost trend rate of percent, as well as what the TARC's allocated portion of the System's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for non-hazardous:

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	$ 23,381,150	$ 30,198,452	$ 38,471,410

Employer's Portion of the Collective OPEB Liability: TARC's proportionate share of the net OPEB liability, as indicated in the prior table, is $30,198,452 or approximately 1.25%. The net OPEB liability was distributed based on 2020 actual employer contributions to the plan. TARC's prior year proportionate share of the net OPEB liability was $22,204,681, or approximately 1.32%.

Measurement Date: June 30, 2019 is the actuarial valuation date and June 30, 2020 is the measurement date upon which the total OPEB liability is based.

Changes in Assumptions and Benefit Terms: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total OPEB liability have been updated as follows:

- The discount rate used to calculate the total OPEB liability decreased from 5.68% to 5.34%.
- The assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated (i.e. increased) to better reflect more current expectations relating to anticipated future increases in the medical costs.
- Actuarial information has been updated to reflect anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December 2019.

Changes Since Measurement Date: There were no changes between the measurement date of the collective net OPEB liability and the employer's reporting date.

OPEB Expense: TARC was allocated OPEB expense of $3,811,170 related to the CERS for the year ended June 30, 2021.

Deferred Outflows and Deferred Inflows: Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled as deferred inflows. If they will increase OPEB expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN – COST SHARING - CERS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:	$ 5,045,528	$ 5,049,468
Change of assumptions:	5,252,746	31,943
Changes in proportion and differences between employer contributions and proportionate shares of contributions:	97,124	1,154,982
Differences between expected and actual investment earnings on plan investments:	1,003,726	-
	11,399,124	6,236,393
Contributions subsequent to the measurement date:	2,258,401	-
Total:	$ 13,657,525	$ 6,236,393

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of $2,258,401, which includes the implicit subsidy reported of $741,134 will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. The remainder of the deferred outflows and deferred inflows of resources are amortized over three to five years with remaining amortization as follows:

Year ending June 30:	
2022	$ 1,376,635
2023	1,673,679
2024	1,105,108
2025	1,074,117
2026	(66,808)
	$ 5,162,731

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued CERS OPEB plan financial reports.

NOTE 9 – DEFINED BENEFIT PENSION PLAN – SINGLE EMPLOYER

Benefits Provided: At June 30, 2021, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	41

All full-time employees, who were employed by TARC prior to September 1, 1991, were eligible to participate in the Plan beginning with the first full month of service. Benefits vested after five years of service and are based on a monthly rate per year of service with monthly maximum benefits ranging from $710 to $890 based on retirement or termination date. Benefit payments are established or may be amended by the TARC Pension Board. The Plan also provides death and disability benefits. Effective September 1, 2019, the Plan elected no annual cost of living increases in monthly benefit payments for fiscal years 2020 through 2022.

(Continued)

NOTE 9 – DEFINED BENEFIT PENSION PLAN – SINGLE EMPLOYER (Continued)

Contributions: TARC contributes to the Plan an amount needed to maintain the Plan in a sound condition as determined periodically on the basis of an actuarial valuation. Contribution requirements are established or may be amended by the TARC Pension Board. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation.

The actuarially determined contribution amount is based upon the sum of gross normal cost plus funding of past service costs over 10 years, less anticipated employee contributions. The actuarially determined contribution amount for the 2020 Plan year was $274,110. The Plan recognized $289,128 of employer contributions as of December 31, 2020. During their employment with TARC, eligible employees were required to contribute an amount per hour that was agreed to in the bargaining agreement.

Employee contributions were determined using the following amounts per hour:

March 1990 to August 1991:	$ 0.375
September 1991 to December 2004:	$ 0.425

The final employee eligible to contribute into this Plan retired in 2004; therefore, there were no employee contributions to the Plan after that time.

Net Pension Liability: TARC's net pension liability was measured as of January 1, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the January 1, 2021 actuarial valuation was determined used the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustment:	0.0%
Investment rate of return:	7.0%

- Mortality rates were based on RP-2014 Generational Mortality Tables (Blue Collar) adjusted to 2006 with projected improvements after year 2006 under Projection Scale MP-2020 (male and female scales).
- The actuarial valuation method was based on the Entry Age Normal Cost Method, with the unfunded actuarial liability amortized over 10 years and a future liability changes amortized over average expected future lifetime.
- The asset valuation method based on the market value adjusted for accruals.
- The provision for expenses based on the replacement of prior year's expenses paid from the trust.

Changes in Assumptions: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as described in the summary of actuarial assumptions. The changes are noted below:

- The mortality table changed from the RP-2014 Generational Mortality Tables (Blue Collar) adjusted to 2006 with projected mortality improvements after year 2006 under Projection Scale MP-2019 (male and female scales) to the RP-2014 Generational Mortality Tables (Blue Collar) adjusted to 2006 with projected mortality improvements after year 2006 under Projection Scale MP-2020 (male and female scales).

(Continued)

NOTE 9 – DEFINED BENEFIT PENSION PLAN – SINGLE EMPLOYER (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Assumed Asset Allocations: The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities:	60%	4.2%
Fixed income:	40	2.8%
Total:	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. Based on projected future contributions, benefit payments and investment returns, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine the discount rate assumed that TARC would contribute the actuarially determined contribution rate of projected compensation over the remaining 10-year amortization period of the unfunded actuarial accrued liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at January 1, 2020	$ 2,304,533	$ 1,104,077	$ 1,200,456
Changes for the year:			
Interest	148,006	-	148,006
Differences between expected and actual experience	(55,835)	-	(55,835)
Contributions – employer	-	289,128	(289,128)
Net investment income	-	109,159	(109,159)
Benefit payments, including refunds of employee contributions	(414,905)	(414,905)	-
Assumption changes	(20,055)	-	(20,055)
Administrative expenses	-	(32,762)	32,762
Net changes	(342,789)	(49,380)	(293,409)
Balances at December 31, 2020	$ 1,961,744	$ 1,054,697	$ 907,047

(Continued)

NOTE 9 – DEFINED BENEFIT PENSION PLAN – SINGLE EMPLOYER (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of TARC, calculated using the discount rate of 7.00%, as well as what TARC's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
TARC's net pension liability:	$ 993,951	$ 907,047	$ 827,394

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2021, TARC recognized a pension benefit of $106,916 related to the Plan.

At June 30, 2021, TARC reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual investment earnings on plan investments:	$ -	$ 76,576
Total:	$ -	$ 76,576

The deferred outflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period with remaining amortization as follows:

Year ending December 31:	
2021	$ (26,929)
2022	(28,018)
2023	(15,052)
2024	(24,902)
2025	18,325
Total:	$ (76,576)

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued audited pension plan financial reports. A copy of the separately issued audit report may be requested from the Chief Financial Officer, 1000 W. Broadway, Louisville, KY 40203.

REQUIRED SUPPLEMENTARY INFORMATION

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TARC'S NET PENSION LIABILITY –
EMPLOYEES' AMENDED RETIREMENT PLAN
Plan year ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Total pension liability							
Interest	$ 148,006	$ 193,057	$ 226,086	$ 250,828	$ 270,473	$ 286,547	$ 322,907
Differences between expected and experience	(55,835)	(189,015)	(170,890)	30,844	9,170	(192,112)	(116,612)
Changes of assumptions	(20,055)	(201,128)	(7,517)	(48,849)	87,324	356,697	9,687
Benefit payments, including refunds	(414,905)	(473,229)	(558,697)	(609,620)	(679,756)	(738,404)	(799,005)
Net change in total pension liability	(342,789)	(670,315)	(511,018)	(376,797)	(312,789)	(287,272)	(583,023)
Total pension liability, beginning	2,304,533	2,974,848	3,485,866	3,862,663	4,175,452	4,462,724	5,045,747
Total pension liability, ending	$ 1,961,744	$ 2,304,533	$ 2,974,848	$ 3,485,866	$ 3,862,663	$ 4,175,452	$ 4,462,724
Plan fiduciary net position							
Contributions – employer	$ 289,128	$ 595,256	$ 461,850	$ 438,954	$ 438,660	$ 419,912	$ 468,338
Net investment income	109,159	132,004	3,683	127,536	77,165	(19,825)	171,041
Benefit payments, including refunds of employee	(414,905)	(473,229)	(558,697)	(609,620)	(679,756)	(738,404)	(799,005)
Administrative expense	(32,762)	(21,602)	(56,761)	(63,697)	(45,405)	(44,274)	(59,466)
Net change in plan fiduciary net position	(49,380)	232,429	(149,925)	(106,827)	(209,336)	(382,591)	(219,092)
Plan fiduciary net position, beginning	1,104,077	871,648	1,021,573	1,128,400	1,337,736	1,720,327	1,939,419
Plan fiduciary net position, ending	1,054,697	1,104,077	871,648	1,021,573	1,128,400	1,337,736	1,720,327
TARC's net pension liability, ending	$ 907,047	$ 1,200,456	$ 2,103,200	$ 2,464,293	$ 2,734,263	$ 2,837,716	$ 2,742,397
Plan fiduciary net position as a percentage of the total pension liability	53.76%	47.91%	29.30%	29.31%	29.21%	32.04%	38.55%

Notes to Schedule

The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

There was no covered employee payroll during the ten-year period, so the net pension liability as a percentage of covered employee payroll is not applicable.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TARC'S NET PENSION LIABILITY –
EMPLOYEES' AMENDED RETIREMENT PLAN
Plan year ended December 31, 2020

	2013	2012	2011
Total Pension Liability			
Interest	$ 358,885	$ 410,170	$ 460,070
Changes in benefit terms	230,905	110,129	125,388
Difference between expected and actual experience	(267,436)	(322,677)	(288,142)
Changes in assumptions	10,794	12,274	14,270
Benefit payments	(903,997)	(988,096)	(1,067,381)
Net change in total pension liability	(570,849)	(778,200)	(755,795)
Total pension liability – beginning (a)	5,616,596	6,394,796	7,150,591
Total pension liability – ending (b)	$ 5,045,747	$ 5,616,596	$ 6,394,796
Plan Fiduciary Net Position			
Employer contributions	$ 239,000	$ 50,000	$ -
Net investment income	373,829	316,859	184,767
Benefit payments	(903,997)	(988,096)	(1,067,381)
Administrative expense	(49,656)	(63,177)	(66,707)
Net change in plan fiduciary net position	(340,824)	(684,414)	(949,321)
Plan fiduciary net position – beginning (c)	2,280,243	2,964,657	3,913,978
Plan fiduciary net position – ending (d)	$ 1,939,419	$ 2,280,243	$ 2,964,657
Net pension liability – beginning (a-c)	$ 3,336,353	$ 3,430,139	$ 3,236,613
Net pension liability – ending (d-b)	$ 3,106,328	$ 3,336,353	$ 3,430,139
Fiduciary net position as a percentage of total pension liability	38.44%	40.60%	46.36%

Notes to Schedule

The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

There was no covered employee payroll during the ten-year period, so the net pension liability as a percentage of covered employee payroll is not applicable.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TARC'S CONTRIBUTIONS –
EMPLOYEES' AMENDED RETIREMENT PLAN
Plan year ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 274,110	$ 423,330	$ 437,941	$ 438,954	$ 426,241	$ 419,912	$ 468,337
Contributions in relation to the actuarially determined contribution	289,128	595,256	461,850	438,954	438,660	419,912	468,338
Annual contribution deficiency (excess)	$ (15,018)	$ (171,926)	$ (23,909)	$ -	$ (12,419)	$ -	$ (1)

Notes to Schedule

There was no covered employee payroll during the ten-year period, so amounts of contributions recognized by the pension plan in relation to the actuarially determined contribution as a percentage of covered employee payroll is not applicable.

Valuation Date:	January 1, 2020
Actuarial Cost Method:	Entry age normal cost method
Amortization Method:	Level Dollar
Remaining Amortization Period:	10 years
Asset Valuation Method:	Market value less accrued expenses
Inflation:	2.00%
Salary Increases:	Not applicable, as all beneficiaries are retired, and the plan is closed to new entrants.
Investment Rate of Return:	7.00%
Retirement Age:	Not applicable, as all beneficiaries are retired and the plan is closed to new entrants.
Mortality:	RP-2014 Generational Mortality Tables (Blue Collar) adjusted to 2006 with protected mortality improvements after year 2006 under protection scale MP-2019 (male and female scales)

SCHEDULE OF TARC'S CONTRIBUTIONS –
EMPLOYEES' AMENDED RETIREMENT PLAN
Plan year ended December 31, 2020

	2013	2012	2011
Actuarially determined contribution	$ 359,326	$ 377,600	$ 360,528
Contributions in relation to the actuarially determined contribution	239,000	50,000	-
Contribution deficiency (excess)	$ 120,326	$ 327,600	$ 360,528

Notes to Schedule

There was no covered employee payroll during the ten-year period, so amounts of contributions recognized by the pension plan in relation to the actuarially determined contribution as a percentage of covered-employee payroll is not applicable.

Valuation Date:	January 1, 2020
Actuarial Cost Method:	Entry age normal cost method
Amortization Method:	Level Dollar
Remaining Amortization Period:	10 years
Asset Valuation Method:	Market value less accrued expenses
Inflation:	2.00%
Salary Increases:	Not applicable, as all beneficiaries are retired, and the plan is closed to new entrants.
Investment Rate of Return:	7.00%
Retirement Age:	Not applicable, as all beneficiaries are retired and the plan is closed to new entrants.
Mortality:	RP-2014 Generational Mortality Tables (Blue Collar) adjusted to 2006 with protected mortality improvements after year 2006 under protection scale MP-2019 (male and female scales)

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF MONEY-WEIGHTED RATES OF RETURN –
EMPLOYEES' AMENDED RETIREMENT PLAN
Plan year ended December 31, 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Annual money-weighted rate of return, net of investment expenses	11.54%	18.20%	(0.44%)	13.45%	7.03%	(3.66%)	9.71%	19.07%	11.74%	4.76%

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TARC'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
COUNTY EMPLOYEES RETIREMENT SYSTEM - NON-HAZARDOUS
June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
TARC's proportion of the net pension liability	1.251%	1.320%	1.307%	1.309%	1.311%	1.280%	1.250%
TARC's proportionate share of the net pension	$ 95,946,369	$ 92,870,861	$ 79,592,001	$ 76,614,117	$ 64,540,703	$ 55,052,957	$ 40,406,000
TARC's covered payroll	$ 32,008,931	$ 33,820,338	$ 32,758,156	$ 32,089,620	$ 31,443,315	$ 30,004,788	$ 30,655,572
TARC's proportion of the net pension liability as a percentage on its covered payroll	299.749%	274.601%	242.969%	238.750%	205.260%	183.481%	131.806%
Plan fiduciary net position as a percentage of the total pension liability	47.814%	50.447%	53.542%	53.325%	55.503%	59.968%	66.801%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TARC is presenting information for those years for which information is available.

Changes in Assumptions and Benefit Terms from 2020 to 2021: Since the prior measurement date, there were no changes in assumptions, however benefit terms were updated, which did not have a material impact on the total pension liability. The monthly payment to a surviving spouse of a member whose death was due to a duty-related injury upon remarriage of the spouse was reduced. Benefits were increased for a small number of beneficiaries.

Changes in Assumptions and Benefit Terms from 2019 to 2020: Since the prior measurement date, annual salary increases were updated based on the 2018 Experience Study; annual rates of retirement, disability, withdrawal, and mortality were updated based on the 2018 Experience Study; the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members and 50% for hazardous members; the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated (i.e. increased) to better reflect more current expectations relating to anticipated future increases in the medical costs for post-age 65 retirees; and the assumed impact of the Cadillac Tax was changed from a 3.6% to a 0.9% load on employer paid premiums for non-Medicare retirees who became participants prior to July 1, 2003

Changes in Assumptions and Benefit Terms from 2018 to 2019: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The TPL as of June 30, 2018 was determined using these updated benefit provisions.

Changes in Assumptions and Benefit Terms from 2017 to 2018: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as described: (i) the assumed investment rate of return was decreased from 7.50% to 6.25%, (ii) the assumed rate of inflation was reduced from 3.25% to 2.30%, and (iii) payroll growth assumption was reduced from 4.00% to 2.00%.

Note: There were no changes from 2016 to 2017.

Changes in Assumptions and Benefit Terms from 2015 to 2016: Since the prior measurement date, the demographic and economic assumptions that affect the measurement of the total pension liability have been updated as described: (i) the assumed investment rate of return was decreased from 7.75% to7.50%, (ii) the assumed rate of inflation was reduced from 3.50% to 3.25%, (iii) the assumed rate of wage inflation was reduced from 1.00% to 0.75%, (iv) payroll growth assumption was reduced from 4.50% to 4.00%, (v) the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted, and (vi) the assumed rates of retirement, withdrawal and disability were updated to more accurately reflect experience.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TARC'S CONTRIBUTIONS –
COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS
June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 6,151,942	$ 6,192,956	$ 5,416,203	$ 4,720,629	$ 4,476,502	$ 3,905,260	$ 3,825,610
Contributions in relation to the statutorily required contribution	6,151,942	(6,192,956)	(5,416,203)	(4,720,629)	(4,476,502)	(3,905,260)	(3,825,610)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TARC's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%	100%
TARC's covered payroll	$ 31,768,572	$ 32,008,931	$ 33,820,338	$ 32,758,156	$ 32,089,620	$ 31,443,315	$ 30,004,788
Contributions as a percentage of its covered payroll	19.365%	19.348%	16.015%	14.411%	13.950%	12.420%	12.750%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TARC is presenting information for those years for which information is available.

SCHEDULE OF TARC'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS
June 30, 2021

	2021	2020	2019	2018
TARC's proportion of the net OPEB liability Non-hazardous	1.251%	1.320%	1.307%	1.309%
TARC's proportionate share of the net OPEB liability	$ 30,198,452	$ 22,204,681	$ 23,202,276	$ 26,313,427
TARC's covered payroll	$ 32,008,931	$ 33,820,338	$ 32,758,156	$ 32,089,620
TARC's proportion of the net OPEB liability as a percentage of its covered payroll	94.344%	65.655%	70.829%	82.000%
Plan fiduciary net position as a percentage of the total OPEB liability	51.670%	60.438%	57.622%	52.400%

The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Changes in Assumptions and Benefit Terms from 2020 to 2021: Since the prior measurement date, the discount rate used to calculate the total OPEB liability decreased from 5.68% to 5.34%, the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated (i.e. increased) to better reflect more current expectations relating to anticipated future increases in the medical costs, and the actuarial information has been updated to reflect anticipated savings from the repeal of the "Cadillac Tax" and "Health Insurer Fee", which occurred in December 2019

Changes in Assumptions and Benefit Terms from 2019 to 2020: Since the prior measurement date, annual salary increases were updated based on the 2018 Experience Study; annual rates of retirement, disability, withdrawal, and mortality were updated based on the 2018 Experience Study; the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members and 50% for hazardous members; the assumed increase in future health care costs, or trend assumption, is reviewed on an annual basis and was updated (i.e. increased) to better reflect more current expectations relating to anticipated future increases in the medical costs for post-age 65 retirees; and the assumed impact of the Cadillac Tax was changed from a 3.6% to a 0.9% load on employer paid premiums for non-Medicare retirees who became participants prior to July 1, 2003

Changes in Assumptions and Benefit Terms from 2018 to 2019: Since the prior measurement date, there have been no changes in actuarial assumptions. However, during the 2018 legislative session, House Bill 185 was enacted, which updated the benefit provisions for active members who die in the line of duty. Benefits paid to the spouses of deceased members have been increased from 25% of the member's final rate of pay to 75% of the member's average pay. If the member does not have a surviving spouse, benefits paid to surviving dependent children have been increased from 10% of the member's final pay rate to 50% of average pay for one child, 65% of average pay for two children, or 75% of average pay for three children. The TPL as of June 30, 2018 was determined using these updated benefit provisions.

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/
JEFFERSON COUNTY METRO GOVERNMENT)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TARC'S OPEB CONTRIBUTIONS –
COUNTY EMPLOYEES' RETIREMENT SYSTEM – NON-HAZARDOUS
June 30, 2021

	2021	2020	2019	2018
Statutorily required contribution	$ 1,517,267	$ 1,527,382	$ 1,756,426	$ 1,532,248
Contributions in relation to the statutorily required contribution	(1,517,267)	(1,527,382)	(1,756,426)	(1,532,248)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -
TARC's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%
TARC's covered payroll	$ 31,768,572	$ 32,008,931	$ 33,820,338	$ 32,758,156
Contributions as a percentage of its covered payroll	4.776%	4.772%	5.193%	4.677%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, TARC is presenting information for those years for which information is available.

SUPPLEMENTARY INFORMATION

TRANSIT AUTHORITY OF RIVER CITY
(A COMPONENT UNIT OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION –
BUDGET TO ACTUAL
Year ended June 30, 2021

	Budget	Actual	Actual to GAAP Differences	Actual Amounts GAAP Basis
Operating revenues				
Passenger transportation	$ 8,356,711	$ 5,408,087	$ -	$ 5,408,087
Special fares	2,087,100	1,717,095	-	1,717,095
Advertising	634,165	634,167	-	634,167
Interest	-	2,303	-	2,303
Charter service	290,700	118,000	-	118,000
Other revenue	183,300	274,085	-	274,085
Recoveries	70,000	110,420	-	110,420
Total operating revenues	11,621,976	8,264,157	-	8,264,157
Operating expenditures				
Labor	28,539,806	28,968,059	-	28,968,059
Fringe benefits	27,029,658	28,751,527	-	28,751,527
Plus: pension adjustments	-	-	7,422,545	7,422,545
Plus: OPEB adjustments	-	-	1,403,170	1,403,170
Total labor, fringe benefits pension and OPEB	55,569,464	57,719,586	8,825,715	66,545,301
Services	5,336,874	4,865,766	-	4,865,766
Development costs	853,590	900,225	-	900,225
Materials and supplies	6,843,550	6,054,166	-	6,054,166
Utilities	958,796	943,600	-	943,600
Casualty and insurance	2,646,356	3,200,840	-	3,200,840
Miscellaneous	715,070	350,325	-	350,325
Rentals and purchase transportation	19,597,253	14,817,237	-	14,817,237
Interest	15,568	32,468	-	32,468
Depreciation	12,303,726	10,916,707	-	10,916,707
Loss on disposal	-	9,415	-	9,415
Total operating expenditures	104,840,247	99,810,335	8,825,715	108,636,050
Operating loss before subsidies	(93,218,271)	(91,546,178)	(8,825,715)	(100,371,893)
Subsidies				
Mass Transit Trust Fund and interest	54,434,910	49,943,984	-	49,943,984
Federal Transit Administration and Pass-Through entities	44,948,131	37,747,311	-	37,747,311
KIPDA and other	1,702,666	2,673,137	-	2,673,137
Total subsidies	101,085,707	90,364,432	-	90,364,432
Change in net position	$ 7,867,436	$ (1,181,746)	$ (8,825,715)	$ (10,007,461)

The operating budget for 2021, as shown above, represents the originally adopted budget for TARC. No amendments were made to the budget during the year ended June 30, 2021.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2021

Federal Grantor/Program or Cluster Title	CFDA Number	Grant Number for Pass-Through	Federal Expenditures
Department of Transportation			
Federal Transit Administration			
Direct Programs:			
Federal Transit Cluster:			
Capital and Operating Assistance Formula Grants	20.507		$ 9,903,923
Formula Grants – COVID 19 – CARES Act	20.507		26,960,709
Bus and Bus Facilities Formula Program	20.526		107,311
Total Federal Transit Cluster			36,971,943
Transit Services Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		539,202
Public Transportation Research, Technical Assistance and Training	20.514		5,986
Total Expenditures of Federal Awards			$ 37,517,131

See accompanying notes to schedule of expenditures of federal awards.

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs received by the Transit Authority of River City (TARC). TARC's reporting entity is defined in Note 1 to the audited financial statements.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of TARC under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). TARC has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of TARC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of TARC.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the Cost Principles for State and Local Governments or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Transit Authority of River City
Louisville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Transit Authority of River City (TARC), a component unit of Louisville/Jefferson County Metro Government, as of and for the year ended June 30, 2021 and the fiduciary activities as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise TARC's basic financial statements, and have issued our report thereon dated ___________, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered TARC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of TARC's internal control. Accordingly, we do not express an opinion on the effectiveness of TARC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TARC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Louisville, Kentucky
<>, 2021

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Transit Authority of River City
Louisville, Kentucky

Report on Compliance for Each Major Federal Program

We have audited Transit Authority of River City's (TARC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of TARC's major federal programs for the year ended June 30, 2021. TARC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of TARC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about TARC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of TARC's compliance.

Opinion on Each Major Federal Program

In our opinion, TARC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

(Continued)

Report on Internal Control Over Compliance

Management of TARC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered TARC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of TARC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities of TARC as of and for the year ended June 30, 2021, the fiduciary activities of TARC as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise TARC's basic financial statements. We issued our report thereon dated ___________, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP

Louisville, Kentucky
<>, 2021

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency identified not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency identified not considered to be material weakness(es)?		Yes	X	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2CFR200.516(a)?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster Number
	Total Federal Transit Cluster consisting of:
20.507	Formula Grants
20.526	Bus and Bus Facilities Formula Program
20.205	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs $ 750,000

Auditee qualified as low-risk auditee?	X	Yes		No

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

There were no findings for the year ended June 30, 2021.

SECTION 3 – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings for the year ended June 30, 2021.

TARC Board of Directors
Financial Summary
June 2021, Fiscal Year 2021

Current Month Revenue

Passenger Fares are under budget $25,982 (pg. 2, line 1) and Paratransit Fares are under budget $27,428 (pg. 2, line 2). MTTF Contributions – Federated is over budget $2,116,446 (pg. 2, line 11) mainly due to timing of drawing down funds. Federal Reimbursement Funds – FTA is under budget $1,235,149 (pg. 2, line 13) due to timing of drawing down funds in prior months. Federal Reimbursement Funds – FTA, Cap is over budget $5,733,123 (pg. 2, line 21) mainly due to timing of expenditures for bus purchases.

Year to Date Revenue

Passengers Fares are under budget $2,359,063 (pg. 2, line 1) and Paratransit Fares are under budget $589,561 (pg. 2, line 2) mainly due to budget projection on COVID-19 impact. Local Government Funds MTTF – is under budget $2,901,966 (pg. 2, line 12) due to applying CARES funds for operating expenses, which is a 100% match with no local dollars required. Federal Reimbursement Funds – FTA is over budget $3,231,983 (pg. 2, line 13) mainly due to CARES reimbursement funds. Federal Reimbursement Funds – FTA, Cap is under budget $10,432,803 (pg. 2, line 21) mainly due to timing of expenditures for bus purchases.

Current Month Expenses

Direct Labor is under budget $209,602 (pg. 3, line 1) and Total Labor is under budget $89,872 (pg.3, line 9) mainly due to timing of vacation projections. Fringe & Benefits are under budget $19,668 (pg. 3, line 30) mainly due to Kentucky Unemployment credit in the current month. Purchased Transportation is under budget $479,774 (pg. 2, line 38) mainly due to revenue hours.

Year to Date Expenses

Direct Labor is over budget $428,253 (pg.3, line 1) and Total Labor is over budget $723,443 (pg.3, line 9) mainly due to sick, vacation, overtime and shadow buses. We had several retirements during the year that were not budgeted with sick and vacation pay outs. Fringe & Benefits are over budget $1,721,869 (pg. 3, line 32) mainly due to pension, worker's compensation, sick leave and vacation. Purchased Transportation is under budget $4,780,016 (pg. 2, line 38) mainly due to budget projection on COVID-19. Depreciation Expense is under budget $1,387,019 (pg. 2, line 46) mainly due to capital expenditures not in line with budget projections. Mainly do to timing of the bus purchases during the year.

Operating Summary

Overall, we had a $164,533 (pg.2, line 53) favorable balance for the current month on the Statement of Revenues – Expenses. Year to date Operating expenses came in $3,698,944 (pg. 2, line 41) under budget on the Statement of Revenue - Expenses. June MTTF budget projection for revenue deposits is over budget $10,630,577 (pg. 7) year-to-date mainly due to receiving an additional $2,000,000 plus in July, April, May and June. Tax deadlines have been in different month's due to COVID. We currently have a favorable balance before capital year-to-date of $15,120,148 (pg. 8) due to the MTTF revenue deposits being over budget and the capital share local match being under budget due to applying 100% federal match using CARES funding. MTTF Net Profit Fees are up $7,672,745 (pg. 7) and Employee Withholdings are down $114,303 (pg. 7) year to date compared to last year.

Capital Summary

Total Capital Contributions is over budget $7,220,521 (pg.2, line 25) for the current month and under budget $10,380,155 (pg. 2, line 25) year-to-date mainly due to the timing of spending grant funds. Total Capital Expenses are under budget $267,016 (pg. 2, line 48) for the current month and under budget $1,330,969 (pg. 2, line 48) year-to-date. Bringing the year-to-date balance after capital items are applied to an unfavorable balance of $1,181,747 (pg.2, line 55) mainly due to Capital Contributions being less than Depreciation Expenses.

Statement of Revenue - Expenses - with Capital Contributions

June 2021, Fiscal Year 2021

			Current Month			Fiscal Year-to-date			
	Description	FY21 Total Budget	Actual	Budget	Over budget (Under budget)	Actual	Budget	Over budget (Under budget)	Percentage Remaining
	Revenues								
1	Passenger Fares	6,885,444	405,745	431,727	(25,982)	4,526,381	6,885,444	(2,359,063)	34.26%
2	Paratransit Fares	1,471,267	80,490	107,918	(27,428)	881,706	1,471,267	(589,561)	40.07%
3	Special Fare Revenues (UofL, UPS and etc)	2,087,100	138,413	185,400	(46,987)	1,717,095	2,087,100	(370,005)	17.73%
4	Comp Specials	290,700	0	0	0	118,000	290,700	(172,700)	59.41%
5	Advertising Revenue	634,165	56,667	53,333	3,334	634,167	634,165	2	0.00%
6	Other Agency Revenues	183,300	146,283	11,413	134,870	276,388	183,300	93,088	-50.78%
7	Total Recoveries-Insurance	70,000	23,367	5,000	18,367	110,420	70,000	40,420	-57.74%
8									
9	Operating Revenues	11,621,976	850,964	794,791	56,174	8,264,157	11,621,976	(3,357,819)	28.89%
10									
11	MTTF Contributions- Federated	49,069,249	2,116,446	0	2,116,446	49,069,249	49,069,249	0	0.00%
12	Local Government Funds - MTTF	3,500,463	135,382	1,172,112	(1,036,730)	598,497	3,500,463	(2,901,966)	82.90%
13	Federal Reimbursement Funds - FTA	25,788,577	4,042,378	5,277,527	(1,235,149)	29,020,560	25,788,577	3,231,983	-12.53%
14	State Government Funds	1,702,666	203,789	302,386	(98,597)	1,031,525	1,702,666	(671,141)	39.42%
15									
16	Total Non-Operating Revenues	80,060,955	6,497,994	6,752,025	(254,030)	79,719,831	80,060,955	(341,124)	0.43%
17									
18	Total Revenues Before Cap Contributions	91,682,931	7,348,958	7,546,816	(197,856)	87,983,988	91,682,931	(3,698,943)	4.03%
19									
20	Local Government Funds - MTTF, Cap	1,865,202	37,217	191,431	(154,214)	276,238	1,865,202	(1,588,964)	85.19%
21	Federal Reimbursement Funds - FTA, Cap	19,159,554	6,724,611	991,488	5,733,123	8,726,751	19,159,554	(10,432,803)	54.45%
22	State Goverenment Funds, Cap	0	1,641,612	0	1,641,612	1,641,612	0	1,641,612	0.00%
23	Other Agencies Revenue, Cap	0	0	0	0	0	0	0	0.00%
24									
25	Total Capital Contributions	21,024,756	8,403,440	1,182,919	7,220,521	10,644,601	21,024,756	(10,380,155)	49.37%
26									
27	Total Revenues	112,707,687	15,752,398	8,729,735	7,022,665	98,628,589	112,707,687	(14,079,098)	12.49%
28									
29									
30	Expenses								
31									
32	Labor	28,539,806	2,339,209	2,548,811	(209,602)	28,968,059	28,539,806	428,253	-1.50%
33	Fringes & Benefits	27,029,658	1,971,581	1,991,249	(19,668)	28,751,527	27,029,658	1,721,869	-6.37%
34	Services	5,336,874	470,686	448,843	21,843	4,865,766	5,336,874	(471,108)	8.83%
35	Materials	6,843,550	491,642	573,128	(81,486)	6,054,166	6,843,550	(789,384)	11.53%
36	Utilities	958,796	66,523	79,570	(13,047)	943,600	958,796	(15,196)	1.58%
37	Casualty & Liability	2,646,356	707,857	220,537	487,320	3,200,839	2,646,356	554,483	-20.95%
38	Purchased Transportation	19,597,253	1,073,657	1,553,431	(479,774)	14,817,237	19,597,253	(4,780,016)	24.39%
39	Interest Expense	15,568	1,360	904	456	32,468	15,568	16,900	-108.56%
40	Other Expenses	715,070	61,911	130,343	(68,432)	350,325	715,070	(364,745)	51.01%
41	Operating Expenses	91,682,931	7,184,425	7,546,816	(362,390)	87,983,989	91,682,931	(3,698,944)	4.03%
42									
43									
44									
45	Development Cost & Loss on Disposal	853,590	312,929	462,342	(149,413)	900,225	853,590	46,635	-5.46%
46	Depreciation Expenses	12,303,726	955,226	1,081,544	(126,318)	10,916,707	12,303,726	(1,387,019)	11.27%
47	Loss on Disposal of Assets	0	8,715	0	8,715	9,415	0	9,415	0.00%
48	Total Capital Expenses	13,157,316	1,276,870	1,543,886	(267,016)	11,826,347	13,157,316	(1,330,969)	10.12%
49									
50	Total Expenses	104,840,247	8,461,296	9,090,702	(629,406)	99,810,336	104,840,247	(5,029,913)	4.80%
51									
52									
53	Revenue / Expense Difference Before Capital	0	164,533	0	164,534	(1)	0	1	0.00%
54									
55	Revenue / Expense Difference After Capital	7,867,440	7,291,102	(360,967)	7,652,071	(1,181,747)	7,867,440	(9,049,185)	115.02%

Total Labor

June 2021, Fiscal Year 2021

	Description	FY21 Total Budget	Current Month Actual	Current Month Budget	Current Month Over budget (Under budget)	Fiscal Year-to-date Actual	Fiscal Year-to-date Budget	Fiscal Year-to-date Over budget (Under budget)	Percentage Remaining
1	Direct Labor	28,539,806	2,339,209	2,548,811	(209,602)	28,968,059	28,539,806	428,253	-1.50%
2	Sick Leave	1,491,682	65,894	99,779	(33,885)	1,709,088	1,491,682	217,406	-14.57%
3	Holiday	1,111,586	3,280	0	3,280	983,298	1,111,586	(128,288)	11.54%
4	Vacation	1,991,906	309,721	164,846	144,875	2,235,757	1,991,906	243,851	-12.24%
5	Other Paid Absences	217,030	19,585	14,125	5,460	179,251	217,030	(37,779)	17.41%
6									
7	**Total**	**33,352,010**	**2,737,689**	**2,827,561**	**(89,872)**	**34,075,453**	**33,352,010**	**723,443**	**-2.17%**
8									
9	Difference compared to Budget			(89,872)			723,443		

	Description	FY21 Total Budget	Current Month Actual	Current Month Budget	Current Month Over budget (Under budget)	Year to Date Actual	Year to Date Budget	Year to Date Over budget (Under budget)	Percentage Remaining
10	FICA	2,551,422	201,998	216,309	(14,311)	2,535,976	2,551,422	(15,446)	0.61%
11	Pension	7,288,803	559,377	599,459	(40,082)	7,958,330	7,288,803	669,527	-9.19%
12	Hospital Medical & Surgical	9,363,267	837,211	669,206	168,005	9,449,541	9,363,267	86,274	-0.92%
13	Vision Care Insurance	122,078	4,814	10,087	(5,273)	63,280	122,078	(58,798)	48.16%
14	Dental Plans	409,308	24,956	34,109	(9,153)	307,783	409,308	(101,525)	24.80%
15	Life Insurance	96,744	7,326	8,062	(736)	90,024	96,744	(6,720)	6.95%
16	Disability Insurance	216,332	10,557	10,563	(6)	213,907	216,332	(2,425)	1.12%
17	Kentucky Unemployment	40,000	(255,505)	0	(255,505)	2,635	40,000	(37,365)	93.41%
18	Worker's Compensation	1,850,000	172,166	154,163	18,003	2,719,535	1,850,000	869,535	-47.00%
19	Uniform & Work Clothing Allowance	277,000	9,995	10,337	(342)	301,096	277,000	24,096	-8.70%
20	Other Fringes	2,500	206	204	2	2,025	2,500	(475)	19.00%
21	Total Fringe & Benefits	**22,217,454**	**1,573,101**	**1,712,499**	**(139,398)**	**23,644,133**	**22,217,454**	**1,426,678**	**-6.42%**
22									
23									
24	Sick Leave	1,491,682	65,894	99,779	(33,885)	1,709,088	1,491,682	217,406	-14.57%
25	Holiday	1,111,586	3,280	0	3,280	983,298	1,111,586	(128,288)	11.54%
26	Vacation	1,991,906	309,721	164,846	144,875	2,235,757	1,991,906	243,851	-12.24%
27	Other Paid Absences	217,030	19,585	14,125	5,460	179,251	217,030	(37,779)	17.41%
28	Total Compensation Benefits	**4,812,204**	**398,480**	**278,750**	**119,730**	**5,107,394**	**4,812,204**	**295,190**	**-6.13%**
29									
30	**Total**	**27,029,658**	**1,971,581**	**1,991,249**	**(19,668)**	**28,751,527**	**27,029,658**	**1,721,868**	**-6.37%**
31									
32	Difference compared to Budget			(19,668)			1,721,869		

Balance Sheet

June 2021, Fiscal Year 2021

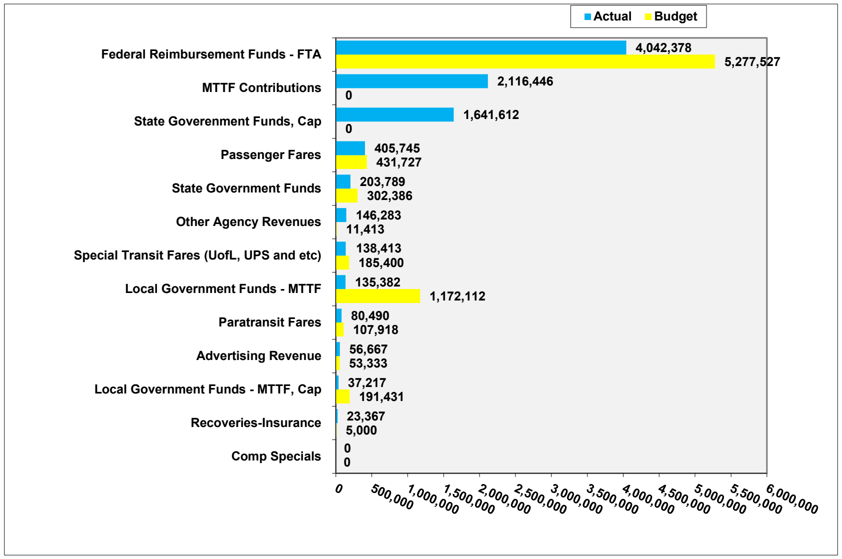
Assets	FY 21	FY 20
Current Assets		
Cash & Cash Items	2,142,459	4,495,235
Short Term Investments	7,062,282	4,025,162
Accounts Recievable	47,297,821	58,850,966
Interest Recievable	0	4
Due From Grant	80,000	80,000
Materials & Supplies	1,708,613	1,521,273
Total Current Assets	**58,291,174**	**68,972,640**
Other Assets		
Prepaid Insurance & Dues & WIP	277,252	1,335,124
Total Other Assets	**277,252**	**1,335,124**
Fixed Assets		
Land	3,187,624	3,177,782
Buildings	49,152,447	49,094,438
Coaches	120,435,632	113,958,281
Office Equipment	10,317,168	10,135,864
Other Equipment	21,548,707	21,304,130
Development Costs	0	0
Vehicle Exp - Operating	1,420,405	1,420,404
Other Equipment -Operating	154,908	636,524
Total Fixed Assets	**206,216,891**	**199,727,423**
Less Accumulated Depreciation		
Accumulated Depr Land	716,662	683,134
Accumulated Depr Buildings	27,122,633	25,608,369
Accumulated Depr Coaches	76,071,172	70,925,038
Accumulated Depr Office Equipment	7,958,046	7,412,701
Accumulated Depr Other Equipment	17,138,317	16,719,444
Accumulated Depr Development Cost	0	-
Accumulated Depr Vehicle Exp - Opr	924,624	868,497
Accumulated Depr Other Equipment Op	119,092	191,275
Total Depreciation	**130,050,546**	**122,408,457**
Net Fixed Assets	**76,166,345**	**77,318,966**
Total Assets	**134,734,771**	**147,626,730**

Liabilities, Reserves & Capital	FY 21	FY 20
Current Liabilites		
Long Term Debt	262,538	397,920
Short Term Debt	0	0
Trade Payables	13,766,680	10,336,667
Accrued Payroll Liabilities	4,573,281	4,405,135
Estimated Workmans Compensation	3,297,688	2,551,528
Accrued Tax Liabilities	0	0
Unreedemed Tickets & Tokens	1,556,893	2,052,705
Reserves - Injury & Damages	2,014,700	1,462,800
Due To Operations	80,000	80,000
Unearned Capital Contributions	33,557,192	49,865,727
Other Current Liabilities (Health Ins.)	376,941	43,643
Total Current Liabilities	**59,485,912**	**71,196,123**
Equity		
Retained Earnings	(1,181,747)	(7,492,256)
Prior Year Retained Earning	76,430,606	83,922,863
Total Equity	**75,248,859**	**76,430,607**
Total Liabilities & Equity	**134,734,771**	**147,626,730**

Actual Revenue vs. Budget

June 2021, Fiscal Year 2021

Current Month Revenues



MTTF $2,116,446 Actual > $0 Budget

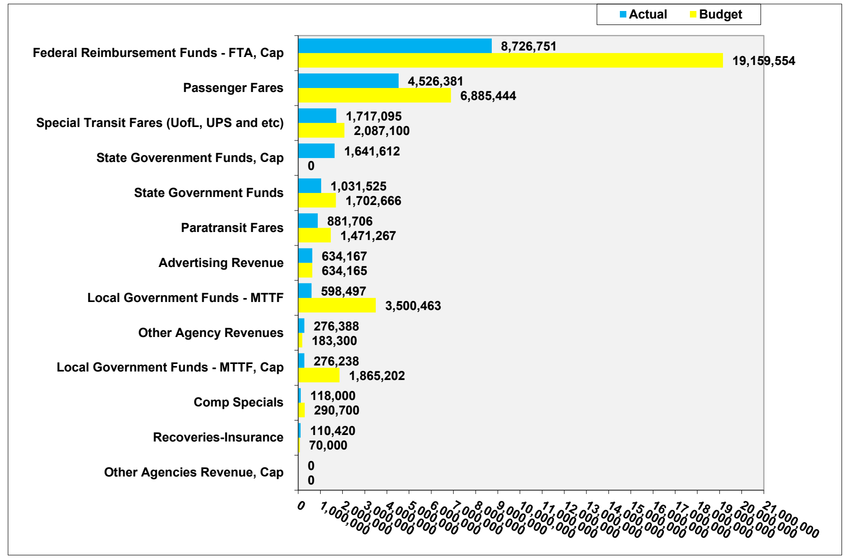
Passenger fares $25,982

Paratransit fares $27,428

Federal Reimbursement Funds - FTA $1,235,149

Federal Reimbursement Funds - FTA, Cap $5,733,123

Year to Date Revenues



MTTF $49,069,249 Actual = $49,069,249 Budget

Federal Reimbursement Funds - FTA $29,020,560 Actual > $25,788,577 Budget

Passenger fares $2,359,063

Paratransit fares $589,561

Local Government Funds - MTTF $2,901,966

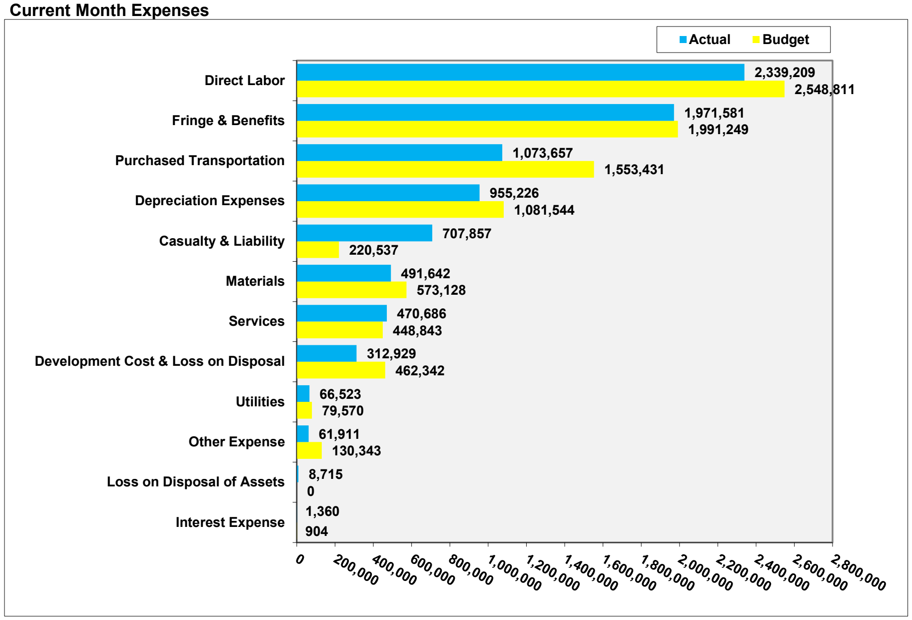
Federal Reimbursement Funds - FTA $3,231,983

Federal Reimbursement Funds - FTA, Cap $10,432,803

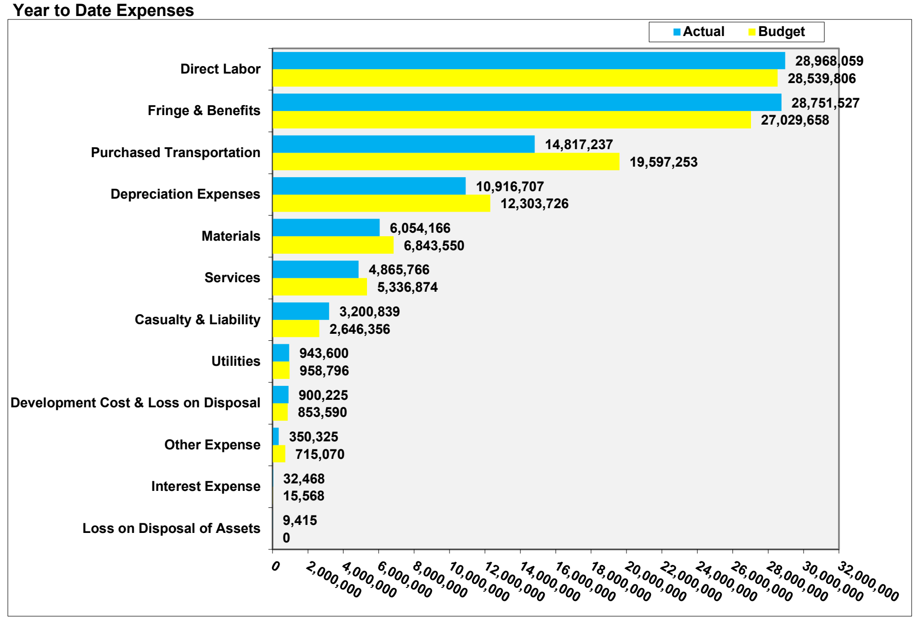
Actual Expenses vs. Budget

June 2021, Fiscal Year 2021

Current Month Expenses



Year to Date Expenses



Direct Labor $209,602 Total Labor $89,872

Fringe & Benefits $19,668

Casualty & Liability $487,320

Purchased Transportation $479,774

Direct Labor $428,253 Total Labor $723,443

Fringe & Benefits $1,721,869

Casualty & Liability $554,483

Purchased Transportation $4,780,016

Depreciation Expenses $1,387,019

MassTransit Trust Fund (MTTF) Revenue Deposits

Deposit to Budget Difference FY 2021

Month	FY 21 Actual Deposits	FY 21 Budget Deposits	Difference	YTD Total	Current Month	YTD
July	$6,263,320	$4,161,638	$2,101,682	$2,101,682	50.50%	
August	$4,049,642	$3,709,802	$339,840	$2,441,522	9.16%	31.02%
September	$4,744,809	$5,573,185	($828,376)	$1,613,146	-14.86%	12.00%
October	$3,821,270	$3,462,858	$358,412	$1,971,558	10.35%	11.66%
November	$4,823,684	$3,747,553	$1,076,131	$3,047,689	28.72%	14.76%
December	$5,504,381	$5,506,077	($1,696)	$3,045,993	-0.03%	11.64%
January	$5,505,049	$4,814,614	$690,435	$3,736,428	14.34%	12.06%
February	$4,083,535	$4,496,397	($412,862)	$3,323,566	-9.18%	9.37%
March	$4,827,963	$4,533,247	$294,716	$3,618,282	6.50%	9.04%
April	$8,203,675	$6,187,014	$2,016,661	$5,634,943	32.60%	12.20%
May	$6,507,250	$3,706,568	$2,800,682	$8,435,625	75.56%	16.91%
June	$5,397,154	$3,202,202	$2,194,952	$10,630,577	68.55%	20.02%
TOTAL	$63,731,732	$53,101,155				

MTTF Revenue Deposits - Actuals

LOUISVILLE METRO REVENUE COMMISSION
TARC LICENSE FEE TRANSACTIONS

	June 2021	June 2020	YTD FYE 2021	YTD FYE 2020	Difference Amount	Percent Change
Receipts						
Employee Withholding	$ 3,591,282	$ 3,776,836	$ 49,280,181	$ 49,289,570	$ (9,389)	-0.02%
Individual Fees	355	(56)	3,654	2,689	965	35.89%
Net Profit Fees	1,847,027	1,043,153	14,819,185	7,146,440	7,672,745	107.36%
Interest & Penalty	31,412	32,032	492,839	607,142	(114,303)	-18.83%
Total Collections	$ 5,470,076	$ 4,851,965	$ 64,595,859	$ 57,045,841	$ 7,550,018	13.24%
Investment Income	$ 924	$ 811	$ 7,916	$ 70,221	$ (62,305)	-88.73%
Total Receipts	$ 5,471,000	$ 4,852,776	$ 64,603,775	$ 57,116,062	$ 7,487,713	13.11%
Disbursements						
Collection Fee	$ 73,846	$ 72,107	$ 872,043	$ 770,118	$ 101,925	13.23%
Total Disbursements	$ 73,846	$ 72,107	$ 872,043	$ 770,118	$ 101,925	13.23%
Due Mass Transit	$ 5,397,154	$ 4,780,669	$ 63,731,732	$ 56,345,944	$ 7,385,788	13.11%
Less Previous Payments			58,334,578	51,565,275	6,769,303	13.13%
Payable To Trust Fund			$ 5,397,154	$ 4,780,669	$ 616,485	12.90%

Year to Date Summary

June 2021, Fiscal Year 2021

	Good	In the Red	
Total Revenues are Over/**Under** by (exhibit 1)		$3,578,960	
Total Expenses are Over/**Under** by (exhibit 1)	$3,698,943		
MTTF Revenue Deposits are **Over**/Under by (pg. 7)	$10,630,577		
MTTF Interest is Over/**Under** by (exhibit 1)		$16,655	
Federal Subsidies are Over/**Under** by (exhibit 1)		$119,983	
MTTF Capital Share is Over/**Under** by (exhibit 1)	$4,506,226		
June has a favorable budget balance before Capital of	$18,835,746	$3,715,598	$15,120,148

Revenues over Expenses

Revenues	58,208,141	
FTA Funds	2,172,880	
State Funds	$1,031,525	
KYTC		
Total Revenues	**$61,412,546**	
Total Operating Expenses	$87,983,989	
Local Capital Expenses	$276,238	
Total Expenses	**$88,260,227**	
Net Gain/(Loss) before CARES Funds	**($26,847,681)**	
CARES Funds applied for FY 2021	$26,847,680	
Net Gain/(Loss) before Capital	**($1)**	rounding

Exhibit 1

Budget By Object Class 7/30/2021	FY20 Actual	FY21 Budget	FY21 Estimate	FY21 Actual	FY 21 Actual vs FY 21 Bud	FY 21 Actual vs FY 21 Bud	FY 21 Actual vs FY 21 Est
Beginning MTTF Balance	$14,205,466	$12,910,397	$14,038,469	$14,038,469			
Operating Revenues							
Farebox	$7,228,489	$8,356,711	$5,297,711	$5,408,087	-35.28%	($2,948,624)	$110,376
Special Fares	$1,771,409	$2,087,100	$1,818,520	$1,717,095	-17.73%	($370,005)	($101,425)
Charter	$0	$290,700	$0	$118,000	0.00%	($172,700)	$118,000
Advertising	$624,167	$634,165	$624,000	$634,167	0.00%	$2	$10,167
Other Agency Revenues	$1,418,698	$183,300	$153,300	$276,388	50.78%	$93,088	$123,088
Total Recoveries - Insurance	$89,789	$70,000	$65,000	$110,420	57.74%	$40,420	$45,420
MTTF Collections	$56,345,944	$53,101,155	$56,101,155	$63,731,732	20.02%	$10,630,577	$7,630,577
MTTF Interest	$27,346	$20,000	$1,500	$3,345	-83.28%	($16,655)	$1,845
State Governement Funds	$1,786,447	$1,252,666	$1,103,856	$1,031,525	-17.65%	($221,141)	($72,331)
Federal Reimb. Funds-Access To Jobs	$384,500	$384,500	$384,500	$232,322	-39.58%	($152,178)	($152,178)
MTTF Principal	**$166,997**	**$1,313,759**	**$0**	**($13,806,389)**	-1150.91%	($15,120,148)	($13,806,389)
Total Revenues	**$69,843,786**	**$67,694,056**	**$65,549,542**	**$59,456,692**	-12.17%	($8,237,364)	($6,092,850)
Operating Expenses							
Direct Labor	$28,465,942	$28,539,806	$30,098,590	$28,968,059	1.50%	$428,253	($1,130,531)
Fringe Benefits:							
Vac/Hol/Sick/Bday	$4,825,939	$4,812,204	$5,139,760	$5,107,394	6.13%	$295,190	($32,366)
Health/Welfare/Pension	$22,537,355	$22,217,454	$25,035,070	$23,644,133	6.42%	$1,426,679	($1,390,937)
Services	$5,547,999	$5,336,874	$5,499,658	$4,865,766	-8.83%	($471,108)	($633,892)
Material&Supplies	$6,852,225	$6,843,550	$6,596,840	$6,054,166	-11.53%	($789,384)	($542,674)
Utilities	$906,156	$958,796	$901,100	$943,600	-1.58%	($15,196)	$42,500
Casualty&Liability	$3,011,088	$2,646,356	$2,696,770	$3,200,840	20.95%	$554,484	$504,070
Purchased Transportation	$16,023,819	$19,597,253	$15,419,540	$14,817,237	-24.39%	($4,780,016)	($602,303)
Interest Expense	$34,873	$15,568	$13,320	$32,468	108.56%	$16,900	$19,148
Other Expense	$582,120	$715,070	$441,500	$350,325	-51.01%	($364,745)	($91,175)
Total Operating Expense	**$88,787,516**	**$91,682,931**	**$91,842,148**	**$87,983,988**	-4.03%	($3,698,943)	($3,858,160)
Capital Eligible Expense Reimbursement	($18,156,620)	($19,752,312)	($3,381,739)	($2,539,055)	-87.15%	$17,213,257	$842,684
CARES Act Funding	($4,341,151)	($9,602,228)	($24,234,285)	($26,847,680)	0.00%	($17,245,452)	($2,613,395)
CRRSAA Funding	$0	$0	$0	$0	0.00%		
Net Operating Expense	$66,289,745	$62,328,391	$64,226,124	$58,597,253	-5.99%	($3,731,138)	($5,628,871)
MTTF Capital Share	$3,554,041	$5,365,665	$1,323,418	$859,439	-83.98%	($4,506,226)	($463,979)
Total Operating/Capital	**$69,843,786**	**$67,694,056**	**$65,549,542**	**$59,456,692**	-12.17%	($8,237,364)	($6,092,850)
Ending MTTF Balance	**$14,038,469**	**$11,596,638**	**$14,038,469**	**$27,844,858**	140.11%	$16,248,220	$13,806,389

	Current Year Rev/Exp	Actual vs Budget
MTTF	($63,735,077)	($10,613,922)
Revenues	($9,295,682)	$3,578,960
Expenses	$87,983,988	($3,698,943)
Federal Subsidies	($29,619,057)	$119,983
MTTF Captial	$859,439	($4,506,226)

MTTF Principal	($13,806,389)	($15,120,148)
Double check	($13,806,389)	($15,120,148)
	$0	$0

MTTF Balance For FY 2021 - Draft **Exhibit 2**

	Accrual Accounting	Actual Cash on Hand
June 30th Ending Balance in MTTF	$22,501,354	$22,501,354
CD & Interest	$100,013	$100,000
Capital Receivable on 20% Match	($37,217)	
MTTF A/R due TARC	($116,446)	
June Revenue Receipts received in July	$5,397,154	
Total Balance on Books as of 6/30/2021	**$27,844,858**	**$22,601,354**
*Ties Back to Budget By Object Class	$27,844,858	
rounding	-	

TARC Board of Directors
Financial Summary
July 2021, Fiscal Year 2022

Current Month Revenue

Passenger Fares are under budget $91,451 (pg. 2, line 1) and Paratransit Fares are under budget $11,001 (pg. 2, line 2). Federal Reimbursement Funds – FTA is under budget $596,598 (pg. 2, line 13) mainly due to expenses being under budget. Federal Reimbursement Funds – FTA, Cap is under budget $114,651 (pg. 2, line 21) mainly due to timing.

Current Month Expenses

Direct Labor is under budget $140,391 (pg. 3, line 1) and Total Labor is under budget $169,354 (pg.3, line 9). Fringe & Benefits are under budget $83,338 (pg. 3, line 32) mainly due to medical and sick leave. Services are under budget $101,002 (pg. 2, line 34) mainly due to advertising and computer services being under budget. Purchased Transportation is under budget $199,363 (pg. 2, line 38) mainly due to revenue hours and penalties.

Operating Summary

Overall, we had a $104,618 (pg.2, line 53) unfavorable balance for the current month on the Statement of Revenues – Expenses. July budgeted MTTF receipts for revenue deposits is over budget $153,204 (pg. 7) year-to-date. We currently have a favorable balance before capital year-to-date of $48,587 (pg. 8) due to the MTTF revenue deposits being over budget. MTTF Net Profit Fees are down $1,973,120 (pg. 7) and Employee Withholdings are up $83,983 (pg. 7) year to date compared to last year.

Capital Summary

Total Capital Contributions is under budget $216,394 (pg.2, line 25) for the current month mainly due to timing. Total Capital Expenses are over budget $103,446 (pg. 2, line 48) for the current month. Bringing the year-to-date balance after capital items are applied to an unfavorable balance of $1,020,850 (pg.2, line 55) mainly due to Capital Contributions being less than Depreciation Expenses.

Statement of Revenue - Expenses - with Capital Contributions

July 2021, Fiscal Year 2022

	Description	FY22 Total Budget	Current Month Actual	Current Month Budget	Current Month Over budget (Under budget)	Fiscal Year-to-date Actual	Fiscal Year-to-date Budget	Fiscal Year-to-date Over budget (Under budget)	Percentage Remaining
	Revenues								
1	Passenger Fares	4,757,097	348,943	440,394	(91,451)	348,943	440,394	(91,451)	92.66%
2	Paratransit Fares	805,500	75,999	87,000	(11,001)	75,999	87,000	(11,001)	90.56%
3	Special Fare Revenues (UofL, UPS and etc)	1,796,605	121,386	141,830	(20,444)	121,386	141,830	(20,444)	93.24%
4	Comp Specials	150,000	0	0	0	0	0	0	100.00%
5	Advertising Revenue	624,000	53,333	52,000	1,333	53,333	52,000	1,333	91.45%
6	Other Agency Revenues	183,300	61,395	15,275	46,120	61,395	15,275	46,120	66.51%
7	Total Recoveries-Insurance	65,000	12,476	5,417	7,059	12,476	5,417	7,059	80.81%
8									
9	Operating Revenues	8,381,502	673,532	741,916	(68,384)	673,532	741,916	(68,384)	91.96%
10									
11	MTTF Contributions- Federated	50,865,563	5,002,446	5,002,446	0	5,002,446	5,002,446	0	90.17%
12	Local Government Funds - MTTF	1,146,453	0	95,538	(95,538)	0	95,538	(95,538)	100.00%
13	Federal Reimbursement Funds - FTA	38,008,770	1,403,402	2,000,000	(596,598)	1,403,402	2,000,000	(596,598)	96.31%
14	State Government Funds	1,553,856	0	16,125	(16,125)	0	16,125	(16,125)	100.00%
15									
16	Total Non-Operating Revenues	91,574,642	6,405,848	7,114,109	(708,261)	6,405,848	7,114,109	(708,261)	93.00%
17									
18	Total Revenues Before Cap Contributions	99,956,144	7,079,380	7,856,025	(776,645)	7,079,380	7,856,025	(776,645)	92.92%
19									
20	Local Government Funds - MTTF, Cap	2,188,232	4,859	106,602	(101,743)	4,859	106,602	(101,743)	99.78%
21	Federal Reimbursement Funds - FTA, Cap	22,218,487	36,891	151,542	(114,651)	36,891	151,542	(114,651)	99.83%
22	State Goverenment Funds, Cap	0	0	0	0	0	0	0	0.00%
23	Other Agencies Revenue, Cap	0	0	0	0	0	0	0	0.00%
24									
25	Total Capital Contributions	24,406,719	41,751	258,144	(216,394)	41,751	258,144	(216,394)	99.83%
26									
27	Total Revenues	124,362,863	7,121,131	8,114,169	(993,039)	7,121,131	8,114,169	(993,039)	94.27%
28									
29									
30	**Expenses**								
31									
32	Labor	32,000,848	2,411,736	2,552,127	(140,391)	2,411,736	2,552,127	(140,391)	92.46%
33	Fringes & Benefits	31,734,057	2,448,662	2,532,000	(83,338)	2,448,662	2,532,000	(83,338)	92.28%
34	Services	5,639,222	375,035	476,037	(101,002)	375,035	476,037	(101,002)	93.35%
35	Materials	7,458,185	507,072	605,765	(98,693)	507,072	605,765	(98,693)	93.20%
36	Utilities	1,016,796	76,028	84,733	(8,705)	76,028	84,733	(8,705)	92.52%
37	Casualty & Liability	2,736,426	230,015	228,035	1,980	230,015	228,035	1,980	91.59%
38	Purchased Transportation	18,740,930	1,114,692	1,314,055	(199,363)	1,114,692	1,314,055	(199,363)	94.05%
39	Interest Expense	7,860	866	867	(1)	866	867	(1)	88.98%
40	Other Expenses	621,820	19,891	62,406	(42,515)	19,891	62,406	(42,515)	96.80%
41	Operating Expenses	99,956,144	7,183,998	7,856,025	(672,028)	7,183,998	7,856,025	(672,028)	92.81%
42									
43									
44									
45	Development Cost & Loss on Disposal	426,467	3,479	2,453	1,026	3,479	2,453	1,026	99.18%
46	Depreciation Expenses	12,194,557	954,504	852,084	102,420	954,504	852,084	102,420	92.17%
47	Loss on Disposal of Assets	0	0	0	0	0	0	0	0.00%
48	Total Capital Expenses	12,621,024	957,983	854,537	103,446	957,983	854,537	103,446	92.41%
49									
50	Total Expenses	112,577,168	8,141,981	8,710,562	(568,582)	8,141,981	8,710,562	(568,582)	92.77%
51									
52									
53	Revenue / Expense Difference Before Capital	0	(104,618)	0	(104,617)	(104,618)	0	(104,617)	0.00%
54									
55	Revenue / Expense Difference After Capital	11,785,695	(1,020,850)	(596,393)	(424,457)	(1,020,850)	(596,393)	(424,457)	108.66%

Total Labor

July 2021, Fiscal Year 2022

	Description	FY21 Total Budget	Current Month Actual	Current Month Budget	Current Month Over budget (Under budget)	Fiscal Year-to-date Actual	Fiscal Year-to-date Budget	Fiscal Year-to-date Over budget (Under budget)	Percentage Remaining
1	Direct Labor	32,000,848	2,411,736	2,552,127	(140,391)	2,411,736	2,552,127	(140,391)	92.46%
2	Sick Leave	1,651,183	66,161	109,375	(43,214)	66,161	109,375	(43,214)	95.99%
3	Holiday	1,252,323	110,672	135,909	(25,237)	110,672	135,909	(25,237)	91.16%
4	Vacation	2,088,175	208,623	167,696	40,927	208,623	167,696	40,927	90.01%
5	Other Paid Absences	240,381	14,067	15,506	(1,439)	14,067	15,506	(1,439)	94.15%
6									
7	**Total**	**37,232,910**	**2,811,259**	**2,980,613**	**(169,354)**	**2,811,259**	**2,980,613**	**(169,354)**	**92.45%**
8									
9	Difference compared to Budget			(169,354)			(169,354)		

	Description	FY21 Total Budget	Current Month Actual	Current Month Budget	Current Month Over budget (Under budget)	Year to Date Actual	Year to Date Budget	Year to Date Over budget (Under budget)	Percentage Remaining
10	FICA	2,848,318	210,108	228,017	(17,909)	210,108	228,017	(17,909)	92.62%
11	Pension	10,262,221	785,598	803,277	(17,679)	785,598	803,277	(17,679)	92.34%
12	Hospital Medical & Surgical	10,509,847	802,241	847,662	(45,421)	802,241	847,662	(45,421)	92.37%
13	Vision Care Insurance	101,537	4,864	8,468	(3,604)	4,864	8,468	(3,604)	95.21%
14	Dental Plans	353,988	25,514	29,499	(3,985)	25,514	29,499	(3,985)	92.79%
15	Life Insurance	101,040	7,471	8,420	(949)	7,471	8,420	(949)	92.61%
16	Disability Insurance	155,544	10,709	12,962	(2,253)	10,709	12,962	(2,253)	93.12%
17	Kentucky Unemployment	40,000	6,189	0	6,189	6,189	0	6,189	84.53%
18	Worker's Compensation	1,850,000	196,531	154,167	42,364	196,531	154,167	42,364	89.38%
19	Uniform & Work Clothing Allowance	277,000	(295)	10,833	(11,128)	(295)	10,833	(11,128)	100.11%
20	Other Fringes	2,500	210	209	1	210	209	1	91.60%
21	**Total Fringe & Benefits**	**26,501,995**	**2,049,139**	**2,103,514**	**(54,374)**	**2,049,139**	**2,103,514**	**(54,375)**	**92.27%**
22									
23							0		
24	Sick Leave	1,651,183	66,161	109,375	(43,214)	66,161	109,375	(43,214)	95.99%
25	Holiday	1,252,323	110,672	135,909	(25,237)	110,672	135,909	(25,237)	91.16%
26	Vacation	2,088,175	208,623	167,696	40,927	208,623	167,696	40,927	90.01%
27	Other Paid Absences	240,381	14,067	15,506	(1,439)	14,067	15,506	(1,439)	94.15%
28	**Total Compensation Benefits**	**5,232,062**	**399,523**	**428,486**	**(28,963)**	**399,523**	**428,486**	**(28,963)**	**92.36%**
29									
30	**Total**	**31,734,057**	**2,448,662**	**2,532,000**	**(83,337)**	**2,448,662**	**2,532,000**	**(83,338)**	**92.28%**
31									
32	Difference compared to Budget			(83,338)			(83,338)		

Balance Sheet

July 2021, Fiscal Year 2022

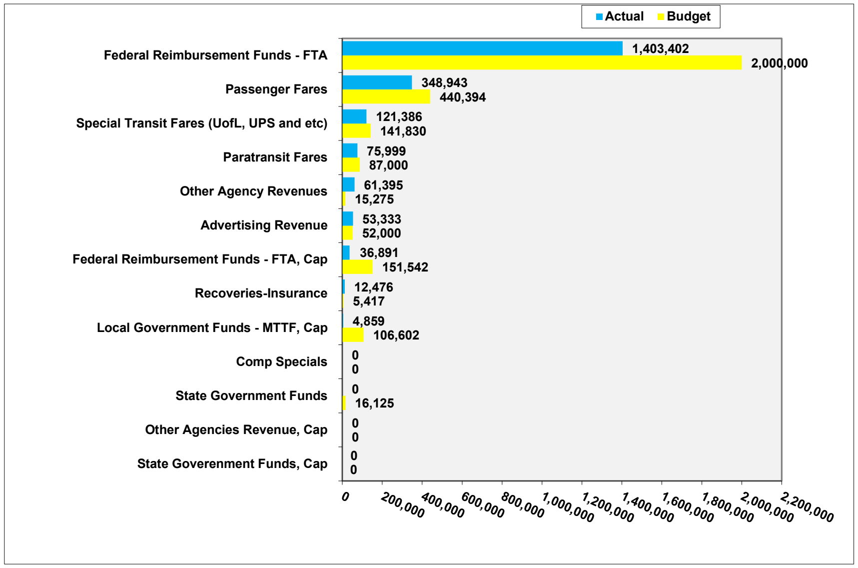
Assets	FY 22	FY 21
Current Assets		
Cash & Cash Items	6,717,249	3,721,266
Short Term Investments	1,636,219	2,525,244
Accounts Recievable	37,687,985	54,530,361
Interest Recievable	1	64
Due From Grant	80,000	80,000
Materials & Supplies	2,392,968	1,516,686
Total Current Assets	**48,514,422**	**62,373,621**
Other Assets		
Prepaid Insurance & Dues & WIP	1,837,808	2,308,170
Total Other Assets	**1,837,808**	**2,308,170**
Fixed Assets		
Land	3,187,624	3,177,782
Buildings	49,152,447	49,094,438
Coaches	119,199,487	113,958,281
Office Equipment	10,309,381	10,135,487
Other Equipment	21,548,707	21,304,130
Development Costs	41,751	0
Vehicle Exp - Operating	1,420,405	1,420,405
Other Equipment -Operating	154,908	636,524
Total Fixed Assets	**205,014,710**	**199,727,047**
Less Accumulated Depreciation		
Accumulated Depr Land	719,490	685,921
Accumulated Depr Buildings	27,248,963	25,734,515
Accumulated Depr Coaches	75,454,301	71,504,752
Accumulated Depr Office Equipment	8,027,298	7,485,571
Accumulated Depr Other Equipment	17,261,506	16,832,225
Accumulated Depr Development Cost	3,479	-
Accumulated Depr Vehicle Exp - Opr	929,301	873,174
Accumulated Depr Other Equipment Op	120,260	232,919
Total Depreciation	**129,764,597**	**123,349,077**
Net Fixed Assets	**75,250,113**	**76,377,970**
Total Assets	**125,602,342**	**141,059,761**

Liabilities, Reserves & Capital	FY 22	FY 21
Current Liabilites		
Long Term Debt	121,697	262,538
Short Term Debt	0	0
Trade Payables	6,885,960	6,141,349
Accrued Payroll Liabilities	4,247,032	4,019,303
Estimated Workmans Compensation	3,361,282	2,600,697
Accrued Tax Liabilities	0	0
Unreedemed Tickets & Tokens	1,589,576	2,039,287
Reserves - Injury & Damages	1,692,800	1,145,300
Due To Operations	80,000	80,000
Unearned Capital Contributions	32,112,039	49,380,666
Other Current Liabilities (Health Ins.)	1,283,948	133,726
Total Current Liabilities	**51,374,333**	**65,802,864**
Equity		
Retained Earnings	(1,020,850)	(1,173,710)
Prior Year Retained Earning	75,248,859	76,430,607
Total Equity	**74,228,009**	**75,256,897**
Total Liabilities & Equity	**125,602,342**	**141,059,761**

Actual Revenue vs. Budget

July 2021, Fiscal Year 2022

Current Month Revenues



MTTF $5,002,446 Actual = $5,002,446 Budget

Passenger fares $91,451

Paratransit fares $11,001

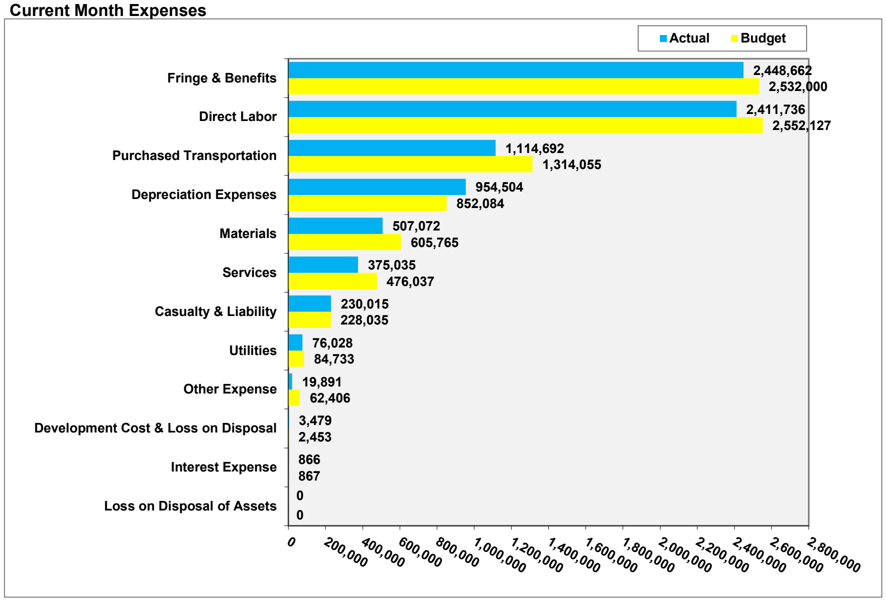
Federal Reimbursement Funds - FTA $596,598

Federal Reimbursement Funds - FTA, Cap $114,651

Actual Expenses vs. Budget

July 2021, Fiscal Year 2022

Current Month Expenses



Direct Labor $140,391   Total Labor $ 169,354

Fringe & Benefits $83,338

Services $101,002

Purchased Transportation $199,363

MassTransit Trust Fund (MTTF) Revenue Deposits

Deposit to Budget Difference FY 2022

Month	FY 22 Actual Deposits	FY 22 Budget Deposits	Difference	YTD Total	Current Month	YTD
July	$4,416,524	$4,263,320	$153,204	$153,204	3.59%	
August		$4,049,642				
September		$4,744,809				
October		$3,821,270				
November		$4,823,684				
December		$4,963,520				
January		$4,589,049				
February		$4,233,049				
March		$4,173,450				
April		$5,781,232				
May		$3,901,651				
June		$4,747,430				
		$0				
TOTAL	$4,416,524	$54,092,106				

MTTF Revenue Deposits - Actuals

LOUISVILLE METRO REVENUE COMMISSION
TARC LICENSE FEE TRANSACTIONS

	July 2021	July 2020	YTD FYE 2022	YTD FYE 2021	Difference Amount	Percent Change
Receipts						
Employee Withholding	$ 4,168,042	$ 4,084,059	$ 4,168,042	$ 4,084,059	$ 83,983	2.06%
Individual Fees	(81)	853	(81)	853	(934)	
Net Profit Fees	249,637	2,222,757	249,637	2,222,757	(1,973,120)	-88.77%
Interest & Penalty	58,385	41,267	58,385	41,267	17,118	41.48%
Total Collections	**$ 4,475,983**	**$ 6,348,936**	**$ 4,475,983**	**$ 6,348,936**	**$ (1,872,953)**	**-29.50%**
Investment Income	$ 967	$ 95	$ 967	$ 95	$ 872	917.89%
Total Receipts	**$ 4,476,950**	**$ 6,349,031**	**$ 4,476,950**	**$ 6,349,031**	**$ (1,872,081)**	**-29.49%**
Disbursements						
Collection Fee	$ 60,426	$ 85,711	$ 60,426	$ 85,711	$ (25,285)	-29.50%
Total Disbursements	**$ 60,426**	**$ 85,711**	**$ 60,426**	**$ 85,711**	**$ (25,285)**	**-29.50%**
Due Mass Transit	**$ 4,416,524**	**$ 6,263,320**	**$ 4,416,524**	**$ 6,263,320**	**$ (1,846,796)**	**-29.49%**
Less Previous Payments			0	0	0	
Payable To Trust Fund			**$ 4,416,524**	**$ 6,263,320**	**$ (1,846,796)**	**-29.49%**

Year to Date Summary

July 2021, Fiscal Year 2022

	Good	In the Red	
Total Revenues are Over/**Under** by (pg. 2, line 18)		$776,645	
Total Expenses are Over/**Under** by (pg. 2, line 41)	$672,028		
MTTF Revenue Deposits are **Over**/Under by (pg. 7)	$153,204		
July has an favorable balance before Capital of	$825,232	$776,645	$48,587

Revenues over Expenses

Operating Revenues	$673,532
Operating Expenses	$7,183,998
Net Gain/(Loss) before MTTF	**($6,510,466)**
MTTF Approved Contributions	$5,002,446
Net Gain/(Loss) before Subsidies	**($1,508,020)**
Subsidies	
CARES	$1,403,402
CRSSAA	$0
5307 Federal Formula dollars to be used as (CEER)	$0
State Contributions	$0
Total Subsidies	**$1,403,402**
Net Gain/(Loss) before Capital	**($104,618)**

Reimbursement Funds Only and a One Time Funding Source

	TARC Share	Actual FY 2020	Actual FY 2021	Actual YTD FY 2022	Remaining Balance
CARES*	41,576,008	4,341,151	26,847,680	1,403,402	8,983,775
CRRSAA**	21,504,688				21,504,688
ARP***	48,587,329				48,587,329

* KY-2020-012 was approved/Executed 5/27/2020

** KY-2021-20 was approved/Executed 7/1/2021

*** Still moving through the process not approved/Executed

MEMORANDUM

To: Mary Morrow, Chair of TARC Board of Directors

From: Carrie Butler, Executive Director

Date: August 24, 2021

Re: DRAFT Resolution 2021-31 Amendment and restatement of Trapeze products

The purpose of this Resolution 2021-31 is to restate and clarify the Transit Authority of River City (TARC)'s business and contractual relationship with Trapeze and associated companies. This relationship extends back into the previous century, with various amendments over the past twenty years. The agreements include software license agreements and software maintenance agreements for the following types of products:

1) Paratransit scheduling and reservations software
2) Customer feedback and management software
3) Fixed route operations management software
4) On-Board operations software and equipment

The various software applications include enhancements or add-on features of which TARC currently utilizes or utilized for a time and then ceased to use over the years based on particular business needs. Additionally, TARC through Resolution 2020-37 purchased a software tool for data and reporting called, TransTrack, which is owned by Trapeze's parent company Constellation. Further, Trapeze software has split the On-Board Operations software and equipment to company called Vontas (see attached letter).

The current agreement between TARC and Trapeze started in 1997, was expanded in 2001 and was amended in 2012 and amended again in 2013 for a project specific to a farebox project. The current pricing for the Trapeze products and the Vontas products is as follows:

Vontas Annual Cost	Novus Software	Novus Hardware	Total
April 1, 2021 to March 31, 2022	$ 220,774.00	$ 284,233.00	$ 505,007.00
April 1, 2022 to March 31, 2023	$ 231,812.70	$ 298,444.65	$ 530,257.35

The current pricing for Trapeze products is as follows:
TO BE ADDED

This resolution requests to confirm the Executive Director's authority to continue this longstanding relationship with Trapeze with the following prices for the next two years.

Please feel free to contact me at 502-561-5100 if you have any questions. Thank you.

RESOLUTION 2021-31
Amendment and Restatement of Trapeze and Vontas Products

A Resolution authorizing the Executive Director to continue contractual relationships with Trapeze and Vontas.

WHEREAS, TARC has had software and maintenance agreements with Trapeze since 1997, and;

WHEREAS, TARC received the costs for additional years of pricing for the software products and hardware, and;

WHEREAS, the review of reasonable costs from and Independent Cost Estimate and the criteria for a sole source agreement have been reviewed, and;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to enter into a contract for an initial term of two (2) years for the terms:

TO BE ADDED.

ADOPTED THIS 28th DAY OF SEPTEMBER 2021

____

John Launius, Chair of the Board of Directors

August 25, 2021

Ms. Carrie Buter
Executive Director
Transit Authority of River City
1000 W. Broadway
Louisville, KY 40203

Ms. Butler,

We are very excited to announce the realignment of Trapeze Group Americas (Trapeze) into two business divisions. Trapeze will continue to deliver Mobility on Demand (including Demand Response), Mobility-as-a-Service, Mobility Planning and Scheduling, Asset Management, Workforce Management, and data analytics solutions as we do today. Moving forward, our new business division, Vontas, will focus exclusively on Intelligent Transportation Solutions (ITS), including Yard Management, and Fare Collection.

Trapeze and Vontas will continue to operate under the same legal name, Trapeze Software Group, Inc.; however, you may see the Vontas operating group added as a dba. All contractual agreements will continue to be signed with Trapeze Software Group, Inc. and there are no changes to current contracts regardless of which operating group supports your products. The EIN # (98-0358175) will remain the same for both operating groups. As separate operating groups, we now have different remittance bank accounts for invoices. You will continue to receive invoices on a per product basis.

This realignment has no effect on any legal agreements or projects that you may have with TransTrack Systems, Inc. which is a separate legal entity from and a wholly owned subsidiary of Trapeze Software Group, Inc.

Both Trapeze Software Group, Inc. (which includes its business divisions operating under the brands Trapeze and Vontas) and TransTrack Systems, Inc. are indirect wholly owned subsidiaries of our ultimate parent company Constellation Software Inc., which is a publicly traded company listed on the Toronto Stock Exchange.

Why are we realigning?

Our industry is perhaps the most dynamic in the world. Mobility trends, rider experience, technology innovation, and the indelible stamp of the global pandemic have changed our industry forever. We believe our change in approach will allow us to serve you more effectively. We will be more adept at understanding, anticipating, and acting on your ever-changing needs.

What this means for our customers:

We will ensure these changes do not take away from the desired seamless integration or reliable customer support across all our solutions, particularly for those of you who rely on solutions from both divisions. Our plans include accelerated advancements and investments for our products across the board, including technology, integration, and supportability.

Introducing Trapeze and Vontas Leadership:

Trapeze's vision is to continuously elevate every rider's experience. I am excited to announce that our Trapeze business is now led by Teresa Domingo. Speaking about the future of Trapeze, Teresa said, "I am thrilled for us to be in a strong position to work more closely with our customers and better serve their needs. With change comes opportunity – we are very focused on unlocking new sources of value for our customers to help them achieve their short and long-term goals."

In a world where riders have so many transit options, Vontas' vision is to make public transit the desired mode of transportation for every community. I am excited to announce that Vontas is led by Peter Aczel. Regarding the realignment, Peter shared, "The launch of Vontas empowers us to better focus on developing and delivering the right ITS solutions to provide the best possible travel experience for the riding public. This realignment enables us to be more flexible and adaptable in delivering innovative products to meet our customer's needs. I am very excited to bring my decade-long experience in the ITS field to the Vontas team to help support our customers."

What this means for your agency:

As a Trapeze and Vontas customer, we are committed to serving you better, and we believe this realignment will allow us to do just that! We will reach out to your agency over the coming weeks to ensure a deeper level of engagement with your Account Management teams.

Attached are answers for some of your initial questions. Please reach out to our Trapeze and Vontas Customer Care team with any questions or support you need.

Vontas Customer Care	**Trapeze Customer Care**
Call: 1-888-392-0337	**Call:** 1-877-411-8727
Email: customercare@vontas.com	**Email:** cc@trapezegroup.com

We want to thank you for your partnership and your business!

Sincerely,

Peter Aczel
General Manager, Vontas

Frequently Asked Questions (FAQ)

This document was prepared to help answer the most likely questions you may have about the realignment of Trapeze Group Americas into two business divisions; Trapeze and Vontas.   Please reach out to your Account Manager or our Customer Care teams with any additional questions you may have.

What does this realignment mean for our agency?

Trapeze is dividing into 2 divisions to continue to meet the unique needs of our customers. Trapeze Group Americas will continue to deliver Mobility on Demand (including Demand Response), Mobility-as-a-Service, Mobility Planning and Scheduling, Asset Management, Workforce Management, and data analytics solutions. Vontas, will focus exclusively on Intelligent Transportation Solutions (ITS), including Yard Management and Fare Collection.

Why has Trapeze segmented their business?

Our industry is perhaps the most dynamic in the world. Mobility trends, rider experience, technology innovation, and the indelible stamp of the global pandemic have changed our industry forever. We wholeheartedly believe our change in approach will allow us to serve you more effectively. We will be more adept at understanding, anticipating, and acting on your ever-changing needs.

How does this benefit me, as a customer?

This realignment of our business enables both Trapeze and Vontas to better serve the unique departmental needs of our customers by allowing us to:

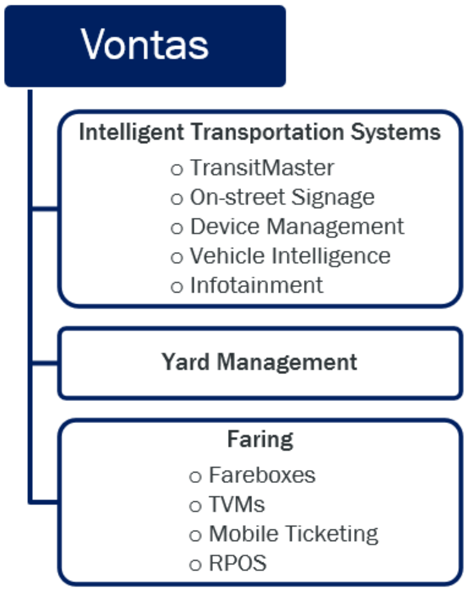
- Foster deeper engagement with you to better understand, anticipate and act on your ever-changing needs. This allows us to be more responsive to your needs.
- Increase speed of product innovation designed to meet those changing needs.

How will this impact my current contract(s) with Trapeze?

All contractual agreements will continue to be signed with Trapeze Software ULC or Trapeze Software Group, Inc. This means that there is no change to your current contracts regardless of which business division supports your products.

Which products will now be supported by Vontas?

Vontas supports the following product groups:



What products will now be supported by Trapeze?

Trapeze supports the following product groups:

What about the Virtual ThinkTransit Conference? Will there still be content in the conference for my ITS solutions?

Our 2021 Virtual ThinkTransit Conference will be a joint presentation between Vontas and Trapeze with content that we hope all our customers will find exciting, valuable, and educational. All Vontas and Trapeze products will be represented at Virtual ThinkTransit.

SALES AND SUPPORT:

Will my Account Manager change?

There will be some changes to individual account owners, who will now be focused on supporting customers as Trapeze and/or Vontas customers. Your current account manager will reach out to ensure a smooth transition of any changes that will impact your agency over the next 4-6 weeks.

How do I contact Vontas Customer Care?

I can help you with that today, by transferring you to our Vontas Customer Care team. I will stay on the line to make sure you get through and share your information with them.

In the future, you can reach Vontas Customer Care by:

Phone: 1-888-392-0337

Email: customercare@vontas.com

How do I contact Trapeze Customer Care?

I can help you with that today, by transferring you to our Trapeze Customer Care team. I will stay on the line to make sure you get through and share your information with them.

In the future, you can reach Trapeze Customer Care by:

Phone: 1-877-411-8727

Email: cc@trapezegroup.com

Can I still access Collaborate?

Our current Collaborate Community will continue to be available to both Trapeze and Vontas customers. We will announce any future changes to our Collaborate Community.

FINANCE:

Will this change how I will be billed and make payments?

For Trapeze related products, services, and maintenance the billing and payment process will remain the same.

For Vontas related products, services, and maintenance you will receive a separate invoice. The bottom of your new invoices will have updated Vontas specific remittance instructions.

What happens if I can only have on Tax ID per vendor?

(This question will only apply to Trapeze and Vontas shared Customers)

Please reach out to your Trapeze Billing and AR contact and they will be able to work with you to resolve this for your billing and payments.

September 3, 2021

Maria Harris
Director of Purchasing
Transit Authority of River City
1000 W. Broadway
Louisville, KY 40203

Ms. Harris,

Vontas is pleased to provide you with a financial summary to renew your software and hardware maintenance for the CAD/AVL Novus ITS System. We appreciate the strong relationship, and we look forward to supporting you and your continual advancement for the riding public in the Louisville metropolitan area.

Here is the proposed price breakdown for 2021-2024:

Start	End	Novus Software	Novus Hardware	Total
4/1/2021	3/31/2022	$220,774.00	$284,233.00	$505,007.00
4/1/2022	3/31/2023	$231,812.70	$298,444.65	$530,257.35
4/1/2023	3/31/2024	$243,403.34	$313,366.88	$556,770.22

Thinking ahead, we welcome the opportunity to continue the conversation on how we can leverage the Novus Hardware and Software maintenance to contribute to the refresh of some of the aging on-board hardware as well as migrating the fixed end software to a more recent platform. This will provide possibilities to further operational advancements with service adjustments and corridor headway management.

Thank you and please do reach out if you have any questions or concerns.

Sincerely,

Bill Dyer

Bill Dyer
Account Manager, Vontas

5265 Rockwell Dr. NE, Cedar Rapids, IA USA 52402
t. 319.743.1000 | f. 319.366.7406 | info@vontas.com

www.vontas.com

MEMORANDUM

To: John Launius, Chair of TARC Board of Directors

From: Carrie Butler, Executive Director

Date: September 21, 2021

Re: Resolution 2021-32 Excess Workers' Compensation and Employers Liability Insurance Policy

---

TARC's Workers' Compensation program currently self-insures the first $500,000 of any claim, including both medical payments and indemnity benefits. The current policy expired August 31, 2021. Due to TARC being a self- insured organization, the Kentucky Labor Cabinet requires that TARC maintain an excess insurance policy.

TARC receives annual excess insurance premium quotes from Underwriters Safety and Claims, Inc., the third party administrator and insurance broker (from Resolution 2017-22). The current policy for $314,648 expired August 31, 2020 and the new policy began on September 1, 2020.

TARC received one quote from Underwriters Safety and Claims broker for Policy Year 2021/2022. The quote from sole bidder, Arch Insurance Company, with retention of $500,000 has a premium of $362,912 which represents an increase of 15%. The average rate of increase percentage has trended at 7.7%.

A review and discussion regarding the quote were conducted with the Chief Financial Officer, Workers' Compensation Coordinator, and Executive Director. From that discussion, it is hereby recommended that the TARC Board of Directors authorize the Executive Director to enter into a policy with Arch Insurance Company that has a specific retention by TARC of the first $500,000 on any claim with an annual premium of $362,912 beginning September 1, 2021.

Please feel free to contact me at 502-561-5100 if you have any questions. Thank you.

RESOLUTION 2021-32
Excess Workers' Compensation and Employers Liability Insurance Policy

A resolution authorizing the Executive Directors to enter into an excess insurance policy for Workers' Compensation with Arch Insurance Company for the 2021 / 2022 policy year.

WHEREAS, Kentucky Administrative Regulation (KAR) 803 25:021 requires self-insured employers to have excess coverage for workers' compensation claims, and;

WHEREAS, TARC received a quote for the 2021/2022 Policy Year from a single bidder, and;

WHEREAS, the current Excess Workers' Compensation and Employers Liability insurance policy with a premium of $314,648 expired on August 31, 2020 and the new policy will begin on September 1, 2020;

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Transit Authority of River City that;

The Executive Director is authorized to enter into an insurance policy with Arch Insurance Company for an amount not to exceed $362,912 for the 2021/2022 Policy Year.

ADOPTED THIS 28th DAY OF SEPTEMBER 2021

____

John Launius, Chair of the Board of Directors

Arch | Insurance

Arch Insurance Group Inc.
311 South Wacker Drive
Suite 3700
Chicago IL 60606

T: 312 601 8400
F: 312 601 8492

archinsurance.com

Underwriters Safety & Claims, Inc.
P.O. Box 23790
Louisville, Kentucky 40223
Attention: Ms. Jeanne P. Winkler

August 26, 2021

RE: TRANSIT AUTHORITY OF RIVER CITY

We would like to confirm our renewal quote for the above account which has been bound as follows:

TYPE OF INSURANCE: Excess Workers Compensation and Employers Liability

STATE(S) OF COVERAGE: Kentucky

EFFECTIVE DATE: September 1, 2021

POLICY NUMBER: WCX 0060432 04

INSURANCE CARRIER: Arch Insurance Company

POLICY PERIOD: September 1, 2021 to September 1, 2022

YOUR RETAINED LIMIT: Part One - Excess Workers Compensation Insurance and Part Two – Excess Employers Liability Insurance Combined:

Your Retained Limit - Each Accident: $500,000
Your Retained Limit – Disease, Each Employee: $500,000

OUR LIMIT OF LIABILITY: A. Part One - Excess Workers Compensation Insurance

Our Limit of Liability - Each Accident: Statutory
Our Limit of Liability - Disease, Each Employee: Statutory

Part Two – Excess Employers Liability Insurance

Our Limit of Liability - Each Accident: $1,000,000
Our Limit of Liability - Disease, Each Employee: $1,000,000
Our Limit of Liability – Aggregate: $1,000,000

POLICY PREMIUM: $362,912

TERRORISM PREMIUM: $10,887 *

BASIS OF PREMIUM: 1.0817 per $100 of Payroll based on $33,550,132

MINIMUM PREMIUM FOR PERIOD: $362,912

ENDORSEMENTS: To be included at time of issuance: See attached Exhibit

REMARKS: Please advise if the Insured's name differs from that above.

*** This premium is included in, not in addition to, the POLICY PREMIUM.**

Very truly yours,

David A. Winkelman

TRANSIT AUTHORITY OF RIVER CITY
Exhibit #1

Endorsements forming part of the Policy at policy issuance:

Endorsement No.	Endorsement Title
00 GL0386 00 (01 08)	LOSSES REDEFINED TO INCLUDE ALLOCATED LOSS ADJUSTMENT EXPENSES ENDORSEMENT
00 GL0371 00 (01 08)	EXTENSION OF NOTICE OF CANCELLATION ENDORSEMENT
00 GL0368 00 (01 08)	VOLUNTEER COVERAGE - EXCESS VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT
00 GL0253 00 (01 21)	TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT DISCLOSURE ENDORSEMENT
00 GL0403 18 (01 08)	KENTUCKY AMENDATORY ENDORSEMENT

THE UNDERWRITERS GROUP
COMMERCIAL INSURANCE

8/24/2021

Transit Authority of River City

Excess Workers' Compensation

Effective Date: **September 1, 2021 to September 1, 2022**

Carrier: **Arch Insurance Company (A+, XV)**

Policy Terms	Current Terms	Option 1	Option 2	Option 3
State(s)	KY	KY	KY	KY
Estimated Annual Payroll	$32,854,570	$33,550,132	$33,550,132	$33,550,132
Length of Policy Period (Years)	1	1	1	1
SPECIFIC:				
Our Limit of Liability: Each Accident	Statutory	Statutory	Statutory	Statutory
Our Limit of Liability: Disease, each Employee	Statutory	Statutory	Statutory	Statutory
EMPLOYERS LIABILITY:				
Our Limit of Liability: Each Accident	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Our Limit of Liability: Disease, each Employee	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Our Limit of Liability: Aggregate	$1,000,000	$1,000,000	$1,000,000	$1,000,000
SELF-INSURED RETENTION				
Your Retained Limit: Each Accident	$500,000	$500,000	$600,000	$750,000
Your Retained Limit: Disease, each Employee	$500,000	$500,000	$600,000	$750,000
PREMIUM:				
Rate per $100 Payroll	0.9577	1.0817	0.9483	0.8138
Deposit Premium	$314,648	$362,912	$318,156	$273,031
Policy Period Minimum Premium	$314,648	$362,912	$318,156	$273,031

Endorsements Included:

Losses Redefined to Include Allocated Loss Adjustment Expenses Endt
Terrorism Risk Insurance Program Reauthorization Act Endt
Kentucky Amendatory Endt
Extension of Notice of Cancellation Endt
Volunteer Coverage

Quote is valid until effective date of coverage.
Sample Policy available upon request.

MEMORANDUM

To: John Launius, Chair of TARC Board of Directors

From: Carrie Butler, Executive Director

Date: September 17, 2021

Re: Resolution 2021-33 Transit Asset Management Policy Restatement

---

In July of 2018 the TARC Board of Directors approved a resolution formally adopting TARC's first Transit Asset Management (TAM) Policy. Our TAM policy was created in accordance with the requirements established by Congress in the Moving Ahead for Progress in the 21st Century Act (MAP-21). All recipients of federal funds through Chapter 53 of Section 49 of U.S. Code are required to develop and maintain a TAM plan. The plan defines our process for "operating, maintaining, and improving public transportation capital assets effectively through the life cycle of such assets." There are nine required elements of that plan. This policy is one of those nine required elements.

The requirement for a TAM Plan and Policy aligns closely with the FTA's State of Good Repair Program. TARC has received multiple discretionary awards through that program in the past ten years that have allowed us to replace over seventy aging buses.

Regardless of federal requirements, I firmly believe that it is in the best interest of TARC and its community to regularly reaffirm our commitment to the creation and maintenance of a culture of continuous improvement in asset management planning and performance. I hope you agree, and agree that this policy does just that.

I have attached a version of our current TAM policy with a few suggested edits.

Please call me at 561-5100 if you have any questions. Thank you.

RESOLUTION 2021-33
Transit Asset Management Policy Restatement

A Resolution restating TARC's commitment to Asset Management as stated in the attached Transit Asset Management (TAM) policy.

WHEREAS, TARC is required by Section 49 U.S.C 5326, created by the Moving Ahead for Progress in the 21st Century (MAP-21) Act to establish a Transit Asset Management plan; and

WHEREAS, on July 24th, 2018, the TARC Board of Directors established a TAM policy; and

WHEREAS, it is prudent to regularly review and revise TARC's TAM policy as the Board deems necessary; and

WHEREAS, it is also in the best interest of TARC and its community for TARC to regularly reaffirm its commitment to the creation and maintenance of a culture of continuous improvement in asset management planning and performance;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

TARC's commitment to Asset Management as stated in the attached Transit Asset Management (TAM) policy is reaffirmed as official TARC policy.

ADOPTED THIS 28TH DAY OF SEPTEMBER 2021

____

John Launius, Chair of the Board of Directors

TARC Transit Asset Management (TAM) Policy

Adopted: 7/25/2018
THIS POLICY SHALL BE REVIEWED ANNUALLY.

I. PURPOSE

In keeping with TARC's mission "to ~~explore and implement~~deliver transportation ~~opportunities~~services that enhance ~~the social, economic and environmental well-being of~~ the Greater Louisville community," TARC is committed to maintaining assets in a state of good repair to support safe, efficient, reliable public transportation.

This policy also expresses our intention to foster a culture of continuous improvement in asset management planning and performance.

This policy is specific to the management of TARC Assets that are included in TARC's Transit Asset Inventory.

This policy will be made accessible to all Board members, staff and members of the public.

This policy outlines TARC's overall asset management approach in a manner consistent with current federal regulations (49 U.S. Code § 5326) and sets the direction for establishing and following through with transit asset management strategies and plans that are achievable with available funds. This policy complies with the Federal Transit Administration (FTA) Transit Asset Management (TAM) Final Ruling on July 26, 2016.

II. POLICY

TARC's COMMITMENT

TARC is committed to

- The allocation of resources necessary to reach ~~its~~our asset management goals;
- Financial stewardship, transparency, and collaboration with our funding partners;
- Promoting a culture that supports optimal asset management across the organization;
- Focusing on high quality data-driven decision making to provide safe, reliable, sustainable service for the communities we serve;
- Supporting the timely implementation of projects and programs to maintain our assets in a State of Good Repair over their entire life; and
- Continually improving ~~its~~our asset management strategies and plans, including setting annual goals, objectives, and measures to monitor and improve performance.

TARC's TAM investment priorities are:

- Public and employee safety
- Reliable service delivery
- Sustainability
- Responsible stewardship of public funds

TARC Transit Asset Management (TAM) Policy

TARC's TAM PLAN ELEMENTS

The FTA regulation defines TARC as a Tier I agency and, as such, requires TARC to implement a TAM Plan that includes the nine TAM Elements listed below.

1. Inventory of assets – A register of capital assets and information about those assets
2. Condition assessment – A rating of the asset's physical state
3. Decision support tool – Analytic process or tool to assist in capital asset investment prioritization needs
4. Prioritized list of investments – A prioritized list of projects or programs to manage or improve the State of Good Repair (SGR) of capital assets
5. TAM and SGR policy – Executive-level direction regarding expectations for transit asset management
6. Implementation strategy – Operational actions to achieve District TAM goals and policies
7. Key annual activities – Those activities that are critical to achieving goals
8. Identification of resources – List resources needed to carry out the TAM Plan
9. Evaluation plan – Monitor and update to support continuous TAM improvement

IV. AUTHORITY

A. Board Authority

TARC's Board of Directors has the authority to approve and amend TARC's TAM Policy.

B. Executive Director Authority

TARC's Executive Director or designee will have overall responsibility for overseeing the development of asset management plans and procedures, in cooperation with the team, and reporting to the Board on the status of asset management for TARC.

In accordance with this policy, implementation of the TAM Plan will be a shared responsibility for all departments.

V. ATTACHMENTS

A. Definitions

TARC Transit Asset Management (TAM) Policy

ATTACHMENTS

I. DEFINITIONS

"Asset Management" is a strategic and systematic process through which an organization procures, operates, maintains, rehabilitates, disposes of and replaces assets to manage their performance, risks, and costs over their lifecycle ~~to provide safe, cost-effective, reliable service to current and future customers~~.

"Transit Asset Management Plan (TAM Plan)" means the Plan through which TARC will document its asset base, asset conditions, and State of Good Repair, asset management policy, TAM goals and objectives, governance structure for asset management, strategy for capital asset funding and prioritization, and key priorities for asset management.

"Transit Asset" as defined by the FTA, means both fixed long-life infrastructure assets (for example, facilities and electric bus charge stations) and equipment (bus, paratransit and non-revenue vehicles).

"State of Good Repair (SGR)" means a condition in which a capital asset is able to operate at a full level of performance. A capital asset is in a state of good repair when that asset:

1. Is able to perform its designed function,
2. Does not pose a known safety risk, and
3. Its lifecycle investments ~~must~~ have been met and/or recovered.

"TAM Final Ruling" means a set of federal regulations that sets out minimum asset management practices for transit providers to bring all of the nation's transit assets into a state of good repair.

"Capital Improvement Plan (CIP)" means a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases given fiscal constraints, provides a planning schedule, and identifies options for funding the plan.

"Tier I Agency" as defined by the FTA, means agencies that own, operate ~~rail,~~ or ~~own~~ manage 101 or more ~~than 100~~ vehicles in all fixed-route modes~~, or with 101 vehicles or more in one non-fixed route mode.~~

combined during peak operation.

MEMORANDUM

To: John Launius, Chair of TARC Board of Directors

From: Carrie Butler, Executive Director

Date: September 17, 2021

Re: Resolution 2021-34 – Acquisition of ADA-Accessible Paratransit Vans

---

TARC owns over 100 paratransit vehicles, which are operated and maintained by our TARC3 paratransit service contractor, MV. The majority of the TARC3 service is delivered by subcontractors and the subcontractor owned vehicles. Of the vehicles under TARC's ownership, sixteen (16) that entered service in 2018 are within their expected useful life; thirty-nine (39) are unavailable for service due to mechanical issues; and the remaining fleet comprised of "MV1's" have been in service since 2012, are beyond their useful life, and no longer are manufactured. This Resolution and Resolution 2021-35 provide for paratransit fleet replacement needs, under two different contracts and hence two separate resolutions.

An existing contract, P-2780 from October 2019, includes options for the types of vehicles that meet the needs of the TARC 3 paratransit service and our Section 5307 subrecipients. This three-year contract with Superior Van and Mobility has the following terms:

- Up to 20 Full-Size Ford Transit T-350, high-roof, long-wheelbase, long-length, 12-passenger vans with enhanced HVAC system, modified with Braun wheelchair conversion and Smart-Trac flooring to accommodate up to four wheelchairs and additional ambulatory passengers.
- The contract expires on September 30, 2022, or when all 20 vans have been purchased, whichever comes first.
- The current price of the van from contract P-2780 is $60,994.00. Price increases due to chip shortages and inflation may result in a price of up to $65,000.00 in the near future.

To date, thirteen (13) of the vans from that contract have been purchased by, or obligated to, TARC's Section 5310 subrecipients. The seven (7) vans remaining on that contract are available for purchase by TARC. Given that eight vans are needed and funds are available for eight vans, the intent is to open an Invitation for Bid (IFB) for a similar type of van and similar number of options. With that future contract, TARC would be able to purchase one (1) additional van for a total of eight (8) vans. Based on estimated inflation, supply chain issues, and related computer chip shortages, the estimated spending authority for the 8^{th} van is requested at $77,000. The total price of the eight vans may be up to $532,000.00.

Attached to this memo is a resolution requesting authority to purchase seven (7) ADA-accessible full-size vans from contract P-2780 with Superior Van and Mobility, Inc., and one (1) ADA-accessible full-size van from a future contract, for a not-to-exceed total amount of $532,000.00.

Please contact me at 561-5100 if you have any questions. Thank you.

RESOLUTION 2021-34
Acquisition of ADA Accessible Paratransit Vans

A Resolution authorizing the Executive Director to purchase seven (7) ADA-accessible full-size vans from Superior Van and Mobility through contract P-2780, and one (1) ADA-accessible full-size van from a future contract, for a not-to-exceed total amount of $532,000.00:

WHEREAS, eight (8) ADA-accessible full-size vans are needed by TARC's paratransit program, and

WHEREAS, in October 2019 TARC's Board of Directors approved a resolution authorizing the Executive Director to enter into contract P-2780 with Superior Van and Mobility, Inc. for the purchase of ADA-accessible full-size vans; and

WHEREAS, seven (7) ADA-accessible full-size vans are currently available for purchase by TARC from Superior Van and Mobility through contract P-2780 for approximately $65,000.00 each, and

WHEREAS, the funds are available for one (1) additional ADA-accessible full-size van, and

WHEREAS, TARC anticipates having a future contract to enable TARC to purchase accessible vans and approximates the cost of a van under such contract to be $77,000.00 incorporating all future and unanticipated contingencies, and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to purchase seven (7) ADA-accessible full-size vans from Superior Van and Mobility through contract P-2780, and one (1) additional ADA-accessible full-size van through a future contract, for a not-to-exceed total amount of $532,000.00.

ADOPTED THIS 28th DAY OF SEPTEMBER 2021

____

John Launius, Chair of the Board of Directors

MEMORANDUM

To: John Launius, Chair of TARC Board of Directors

From: Carrie Butler, Executive Director

Date: September 17, 2021

Re: Resolution 2021-35 – Acquisition of ADA Accessible Paratransit Vehicles

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In March 2017 the TARC Board of Directors passed Resolution 2017-11 that awarded a five-year contract with Rohrer Bus Sales for the purchase and delivery of cutaway type ADA accessible buses for paratransit service. To date sixteen (16) vehicles have been ordered under this contract.

The current price for new cutaway buses with the options required, including air ride, is $77,932. Funds are available for seven (7) of these vehicles, which will replace buses built in 2011 with an average of over 370,000 miles in service.

The price is in keeping with contract language, which allows for an increase from the contract price in keeping with the Producer Price Index (PPI) measure of inflation. The contract language is as follows:

> "The price of the Option Vehicles shall be the unit price of the base order vehicles, ("Base Order Price") adjusted by multiplying the base order price by the following fraction: "Latest Published Preliminary Index Number Prior to Notice of Exercise of Option / Index Number on Effective Date of the Contract The Index shall be the Producer Price Index for Truck and Vehicle Bodies, Series No. 1413, published by the United States Department of Labor Bureau of Labor Statistics, or if such Index is no longer in use, then such replacement that is most comparable to the Index as may be designated by the Bureau of Labor Statistics, or as agreed by the parties."

Attached to this memo is a resolution requesting the authority to order seven (7) cutaway type ADA accessible buses for paratransit service from the Rohrer company at a Not-To-Exceed total amount of $560,000.

Please contact me at 561-5100 if you have any questions. Thank you.

RESOLUTION 2021-35
Acquisition of ADA Accessible Paratransit Vehicles

A Resolution authorizing the Executive Director to purchase seven (7) cutaway type ADA accessible buses through contract P-2617 with Rohrer Bus Sales, for a not to exceed total of amount of $560,000:

WHEREAS, in March of 2017 TARC's Board of Directors approved a resolution authorizing the Executive Director to enter into a contract with Rohrer Bus Sales for the purchase of paratransit buses; and

WHEREAS, TARC seeks to replace seven (7) cutaway buses that were built in 2011 and have an average of over 370,000 miles in service; and

WHEREAS, the terms of our contract provide that price of Option Vehicles shall be increased in keeping with the Producer Price Index (PPI) measure of inflation; and

WHEREAS, Rohrer Bus calculated and TARC staff confirmed that the price of $77,932 for new buses is in keeping with the terms of our contract; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to purchase seven (7) cutaway type ADA accessible buses through contract P-2617 with Rohrer Bus Sales, for a not to exceed total amount of $560,000.

ADOPTED THIS 28th DAY OF SEPTEMBER 2021

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John Launius, Chair of the Board of Directors

Possible Projects with Transit Asset Management Priority

Risk ID	Project #	Date Identified	Project Name	Highest Impact Category	Description of Impact	Impact (1-5)	Likelihood (1-5)	Risk Score (1-25)
FC-0008	0036	9/10/2020	Replace 29th fire alarm and supply line (Barn and Unit Shop)	Financial and Asset Loss	Severe financial loss or asset replacement cost impact. (>$500,000)	5	4	20
FC-0005	0030	6/19/2020	A&E Scope for Bus Wash System Repl./Exp.	Financial and Reputational	Light impact on reputation	3	5	15
FC-0010	0039	9/23/2020	USTA End Wall Stabilization	Financial and Health & Safety	Severe financial loss or asset replacement cost impact. (>$500,000)	5	3	15
FC-0015	0047	10/28/2020	Roof replacement, 2905 Maintenance Shop	Financial and Health & Safety	Relatively low financial loss or asset cost impact. (<$35,000)	3	5	15
FC-0004	0010	7/3/2019	Spec roof replacement, Union Station	Financial and Asset Loss	Relatively low financial loss or asset cost impact. (<$35,000)	3	4	12
FC-0016	0058	1/21/2021	Secure cash counting room	Financial and Asset Loss	Significant increase in armored car costs	3	4	12
GR-0004	0065	3/25/2021	USTA sidewalks surrounding USTA, under canopy, & front/rear steps	Health and Safety	Trip hazards	3	4	12
FC-0003	0009	7/3/2019	Remove and replace 6 in-ground lifts	Service Impact/Health & Safety	Relatively low financial loss or asset cost impact. (<$35,000)	3	3	9
IS-0001	0011	7/9/2019	Purchase automated fluids mgmt system	Regulatory/Legal Impact	Breach of company policy or single minor litigation	3	3	9
FC-0021	0070	6/11/2021	T&O Charrette/Master Plan			3	3	9
FC-0006-01	0031	6/29/2020	Repairs to Baggage Bldg roof and gutters	Financial and Asset Loss	Moderate financial loss or asset cost impact. (>$75,000-$200,000)	3	2	6
GR-0001	0048	11/30/2020	USTA pavement reseal and striping	Financial and Health & Safety	Moderate financial loss or asset cost impact. (>$75,000-$200,000)	3	2	6
FC-0022	71	5/28/2021	Comprehensive security upgrades	Health & Safety and Asset Loss	Severe financial loss or asset replacement cost impact. (>$500,000)	Not yet scored		