



EXECUTIVE SUMMARY

LEBANON TRANSIT FINANCIAL CAPACITY ANALYSIS PLAN

The purpose of this Plan is to determine the Financial Capacity of Lebanon Transit (LT), to operate bus service in the years up to FY 2027/2028 and beyond. Utilizing Financial Capacity Analysis, this Plan documents present financial and productivity trends as a basis to predict LT's future financial condition and capacity.

This Plan is required by the Federal Transit Administration (FTA) per guidance issued in 1987. It is on the basis of this Plan that FTA will grant LT operating and capital assistance in the future as part of the Lebanon County Metropolitan Planning Organization (LEBCO MPO) Transportation Improvement Program (TIP).

INTRODUCTION

On March 30, 1987, the Urban Mass Transportation (UMTA), now Federal Transit Administration (FTA), issued Circular C 7008.1, Financial Capacity Policy, for transit systems receiving Federal Funding. The FTA Circular was issued to ensure that adequate review by the Metropolitan Planning Organization (MPO) of a transit system's financial capacity took place before Federal funds were committed to a major capital or planning project. FTA now requires the local transit system and/or local community to have the financial capacity to pay for such improvements in addition to operating and maintaining the existing transit system.

The purpose of this Financial Capacity Plan is to comply with the present FTA regulations and to determine the financial capacity of LT to undertake projects involving the acquisition, operation and maintenance of facilities and equipment partially funded by the Federal Government. However, a Financial Capacity Analysis is also a valuable tool for LT and the local municipalities that support public transit. It provides the framework to judge how cost-effective Lebanon Transit's public transit services are and gives the local municipalities that support public transit a yardstick to measure the value they are getting for their investment.

DEFINITION OF FINANCIAL CAPACITY

The Circular defined Financial Capacity has two (2) elements:

- ④ Financial Condition; and
- ④ Financial Capability

Financial Condition

Refers to the ability of the Authority to operate and maintain the transit system at its present level of service. Financial Condition is reflected in working capital levels, capital accounts, operating cost and revenue, service levels, productivity, and ridership.

Financial Capability

Refers to the stability and reliability of revenue sources to meet future capital and revenue costs. Financial Capability reflects a system's present and future financial condition in meeting future service needs.

INDICATORS OF FINANCIAL CONDITION AND FINANCIAL CAPABILITY
FY 2025/2026 to 2027/2028

Both indicators of Financial Capacity can be observed through various historical trends. For this Plan, historical data and trend data will be utilized from LT's FY 2018/2019 to 2022/2023. The five (5) year trends derived from this data will provide the basis to predict future trends. LT's Audited Reports and Financial Statements were used to gather this data. For convenience, these trends can be grouped into the following categories.

OPERATING REVENUE TRENDS

Total Federal Eligible Revenue (including passenger fares)

Total Non-Federal Eligible Revenue

Total Non-Subsidy Revenue

OPERATING ASSISTANCE TRENDS

Federal Operating Assistance

State Operating Assistance

Local Operating Assistance

EXPENSE TRENDS

Operating Expenses

Capital Expenses

RIDERSHIP AND PRODUCTIVITY TRENDS

Passengers per Vehicle Revenue Hour

Cost per Vehicle Revenue Hour

Revenue per Vehicle Revenue Hour

Cost per Passenger

Farebox Recovery

OPERATING REVENUE

Operating Revenue is comprised of three (3) types of revenue sources.

Federal Eligible Revenue

This source includes Passenger Farebox Revenue and Other Federal Eligible Revenue, which includes advertising.

Federal Eligible Revenue is used to offset operating expenses. For example, in FY 2022/2023 LT's operating expenses were \$3,183,338, with operating revenue of \$348,952, which reduced expenses to \$2,834,386.

Federal Non-Eligible Revenue

This source includes investment income. Federal Non-Eligible Revenue are funds that are not used to calculate Federal Operating Assistance.

Non-Subsidy Revenue

Total Non-Subsidy Revenue is the product of both Federal non-eligible revenue and Federal eligible revenue. The total amount is all monies not considered subsidies from government sources to cover LT's operating deficit.

Operating Assistance

Operating Assistance is the subsidy that comes from Federal, State, and local government sources to support LT operations. Federal Operating Assistance covers a calculated percentage of LT's operating expenses not covered by Federal Eligible Revenue

SYSTEM EXPENSES

System expenses include operating and capital expenses. LT's operating expenses are the annual operating costs incurred from wages, benefits, and services provided to operate public transit service. Capital expenses are the costs related to either replacing or introducing major items that are necessary to the operation of the system such as buses and maintenance equipment.

PRODUCTIVITY

Productivity can be defined as how effective the system is at producing "outputs" such as number of riders carried. The following indicators can be used to measure productivity:

Passengers per Vehicle Revenue Hour

The total annual number of originating passengers divided by the total annual number of "in-service" hours provided by LT in any given year.

Cost per Vehicle Revenue Hour

The annual operating cost of services provided is divided by the total annual number of “in-service” hours provided by LT in any given year.

Revenue per Vehicle Revenue Hour

Total annual operating revenue generated from farebox and other non-state, non-federal sources divided by the total annual number of “in-service” hours provided by LT in any given year.

Cost per Passenger

Total annual operating cost of services provided divided by the total annual number of originating passengers in any given year.

Farebox Recovery Trends

Farebox recovery is calculated by taking all sources of total non-subsidy revenue and dividing it by operating expenses. The higher the level of farebox recovery, the healthier a system’s financial condition and future financial capacity is likely to be.

DISCUSSION OF CURRENT FINANCIAL CONDITION AND CAPACITY TRENDS

OPERATING REVENUE TRENDS

Non-Subsidy Revenue

Non-subsidy revenue fluctuates from year to year. It is based on the number of passenger boarding’s in any given year. We expect to receive annual increases based upon historical precedence. As ridership increases, passenger fares increase as well, and vice-versa if ridership decreases.

OPERATING ASSISTANCE TRENDS

Total Federal 5307 Revenue

LT receives Urban Federal 5307 funds. LT will continue to receive funds from this source, and we expect to receive annual increases in the total amount based upon historical precedence.

In FY 2019/2020 LT received Section 5307 Coronavirus Aid, Relief and Economic Security (CARES) Act funding, and in FY 2020/2021 LT received Section 5307 American Rescue Plan Act (ARPA) funds for Operating Assistance to help offset deficits due to low ridership and revenue, which allowed LT to continue providing services through the COVID-19 Pandemic.

State Operating Assistance

PA State Act 44 was implemented in FY 2007/2008. The transition from PA State Act 26 to PA State Act 44 provided a significant increase in operating revenue. Legislation for PA State Act 89 of 2013 was implemented in FY 2014/2015 and states any increases in operating revenue will be based on productivity.

Local Operating Assistance

LT receives local operating assistance from Lebanon County. As per PA State Act 44 directives, the local share transit agencies receive must increase by 5% per year until a full 15% share is achieved.

EXPENSE TRENDS

There are two (2) types of expenses, operating and capital.

Operating Expenses

Total operating expenses have increased over the last five (5) years by 7.7%, which equates to a little over 1.4% per year from FY 2018/2019 to 2022/2023.

Capital Assistance

Over the past few years, LT has replaced several buses with Compressed Natural Gas (CNG) buses, upgraded computers, as well as a few small equipment purchases for the Maintenance Department.

PRODUCTIVITY TRENDS

Passengers per Vehicle Revenue Hour

Over the past five (5) years, LT's Passengers per Hour for Fixed Route went from 10.45 in FY 2018/2019 to 7.84 in FY 2022-2023. Shared Ride Passengers per Hour went from 2.99 to 2.67 respectively.

Cost per Vehicle Revenue Hour

Over the past five (5) years, LT's Cost per Hour went from \$98.48 in FY 2018/2019 to \$122.09 in FY 2022/2023. Shared Ride Costs per Hour went from \$86.10 to \$96.29, respectively.

Costs increased for Fixed Route each year by an average of 4.8% with Shared Ride increasing each year by 2.4%. However, revenue hours decreased over the five (5) year period due to the Pandemic, which caused a higher-than-normal increase in Cost per Hour.

Revenue per Vehicle Revenue Hour

Over the past five (5) years, LT’s Fixed Route Revenue per Hour went from \$13.21 in FY 2018/2019 to \$13.38 in FY 2022/2023. Shared Ride Revenue per Hour went from \$63.14 to \$56.82, respectively.

Cost per Passenger

Over the past five (5) years, LT’s Fixed Route Cost per Passenger went from \$9.43 in FY 2018-2019 to \$15.58 in FY 2022/2023. Shared Ride Revenue per Hour went from \$28.77 to \$36.10, respectively.

Several factors play a role in this. Although there was a 4.8% increase in Fixed Route costs per year and a 2.4% increase in Shared Ride costs per year, ridership did not keep pace. LT had a significant decrease in Fixed Route and Shared Ride over the five (5) year period from FY 2018/2019 through FY 2022/2023. The Pandemic kept ridership low, while expenses remained relatively steady.

Farebox Recovery

Over the past five (5) years, LT’s Fixed Route Farebox Recovery went from 13.42% in FY 2018/2019 to 10.96% in FY 2022/2023. Shared Ride went from 73.34% to 59.01% respectively. Again, the Pandemic played a vital role in all aspects of LT.

The following is a review of our Financial Trends from FY 2018/2019 to FY 2022/2023.

FIXED ROUTE FINANCIAL TRENDS					
	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023
	18-19	19-20	20-21	21-22	22-23
OPERATING REVENUES					
PASSENGER FARES	\$356,583.00	\$290,941.00	\$204,171.00	\$220,970.00	\$244,664.00
EMPLOYER SPONSORED ROUTE		\$5,260.00	\$10,520.00	\$7,707.00	\$8,808.00
ADVERTISING	\$35,091.00	\$30,136.00	\$16,238.00	\$48,138.00	\$58,407.00
MISC	\$4,732.00	\$63,971.00	\$13,410.00	\$133,089.00	\$37,073.00
TOTAL	\$396,406.00	\$390,308.00	\$244,339.00	\$409,904.00	\$348,952.00
OPERATING EXPENSES	#VALUE!	5.6%	3.1%	1.1%	-2.6%
VEHICLE MAINTENANCE	\$502,331.00	\$530,384.00	\$563,815.00	\$531,486.00	\$501,272.00
FACILITY MAINTENANCE	\$88,256.00	\$81,390.00	\$92,005.00	\$69,629.00	\$53,168.00
VEHICLE OPERATIONS	\$1,672,180.00	\$1,671,135.00	\$1,698,213.00	\$1,791,890.00	\$1,714,397.00
GENERAL AND ADMINISTRATIVE	\$691,886.00	\$845,571.00	\$875,943.00	\$873,234.00	\$914,501.00
TOTAL	\$2,954,653.00	\$3,128,480.00	\$3,229,976.00	\$3,266,239.00	\$3,183,338.00
OPERATING LOSS	(\$2,558,247.00)	(\$2,738,172.00)	(\$2,985,637.00)	(\$2,856,335.00)	(\$2,834,386.00)
NON-OPERATING REVENUES					
FEDERAL 5307	\$1,035,611.00	\$1,072,218.00	\$0.00	\$603,022.00	\$1,388,194.00
COVID-19 FUNDING, CARES ACT		\$744,923.00	\$1,787,838.00	\$1,567,582.00	\$0.00
STATE ACT 89, SECTION 1513	\$1,422,109.00	\$810,732.00	\$1,086,608.00	\$564,719.00	\$1,325,499.00
LOCAL CONTRIBUTION	\$100,527.00	\$110,299.00	\$111,191.00	\$121,012.00	\$120,693.00
TOTAL	\$2,558,247.00	\$2,738,172.00	\$2,985,637.00	\$2,856,335.00	\$2,834,386.00
NET INCOME/LOSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SHARED RIDE FINANCIAL TRENDS					
	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023
	18-19	19-20	20-21	21-22	22-23
OPERATING REVENUES					
PASSENGER FARES	\$59,304.00	\$46,108.00	\$42,873.00	\$67,917.00	\$64,985.00
AGENCY REVENUE (AAA, MA, MHMR)	\$395,403.00	\$304,781.00	\$137,303.00	\$243,377.00	\$280,331.00
ADA FARES	\$8,903.00	\$7,957.00	\$6,107.00	\$10,582.00	\$13,313.00
ADA SUBSIDY	\$40,281.00	\$36,754.00	\$28,732.00	\$51,174.00	\$65,600.00
PWD FARES	\$11,183.00	\$12,966.00	\$13,973.00	\$19,562.00	\$17,565.00
PWD STATE	\$53,874.00	\$63,662.00	\$69,990.00	\$96,712.00	\$88,094.00
LOTTERY STATE	\$466,996.00	\$350,651.00	\$275,462.00	\$346,950.00	\$308,513.00
MISC	\$20,298.00	\$1,403.00	\$143.00	\$4.00	\$985.00
TOTAL	\$1,056,242.00	\$824,282.00	\$574,583.00	\$836,278.00	\$839,386.00
OPERATING EXPENSES	#VALUE!	-4.8%	-10.7%	12.5%	0.2%
VEHICLE MAINTENANCE	\$194,815.00	\$205,412.00	\$162,783.00	\$167,849.00	\$192,979.00
FACILITY MAINTENANCE	\$15,348.00	\$16,311.00	\$15,728.00	\$18,490.00	\$18,807.00
VEHICLE OPERATIONS	\$952,322.00	\$842,976.00	\$751,441.00	\$881,248.00	\$847,253.00
GENERAL AND ADMINISTRATIVE	\$277,781.00	\$310,236.00	\$312,480.00	\$352,152.00	\$363,369.00
TOTAL	\$1,440,266.00	\$1,374,935.00	\$1,242,432.00	\$1,419,739.00	\$1,422,408.00
OPERATING LOSS	(\$384,024.00)	(\$550,653.00)	(\$667,849.00)	(\$583,461.00)	(\$583,022.00)
NON-OPERATING REVENUES					
COVID-19 FUNDING, CARES ACT	\$0.00	\$300,212.00	\$408,532.00	\$380,430.00	\$0.00
STATE ACT 89, SECTION 1513	\$374,568.00	\$244,928.00	\$248,317.00	\$196,995.00	\$571,022.00
LOCAL CONTRIBUTION	\$9,456.00	\$5,513.00	\$11,000.00	\$6,036.00	\$12,000.00
TOTAL	\$384,024.00	\$550,653.00	\$667,849.00	\$583,461.00	\$583,022.00
NET INCOME/LOSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The following is a review of our Ridership and Productivity Trends from FY 2018/2019 to FY 2022/2023.

FIXED ROUTE RIDERSHIP PRODUCTIVITY TRENDS					
	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023
	18-19	19-20	20-21	21-22	22-23
PASSENGER TRIPS	313,392	248,344	177,438	187,029	204,365
VEHICLE REVENUE MILES	518,587	489,943	442,390	466,623	445,231
VEHICLE REVENUE HOURS	30,004	28,365	26,854	28,904	26,073
PASSENGER PER HOUR	10.45	8.76	6.61	6.47	7.84
OP. COST PER HOUR	\$ 98.48	\$ 110.29	\$ 120.28	\$ 113.00	\$ 122.09
OP. REVENUE PER HOUR	\$ 13.21	\$ 13.76	\$ 9.10	\$ 14.18	\$ 13.38
OP. COST PER TRIP	\$ 9.43	\$ 12.60	\$ 18.20	\$ 17.46	\$ 15.58
OP. COST PER MILE	\$ 5.70	\$ 6.39	\$ 7.30	\$ 7.00	\$ 7.15
FAREBOX RECOVERY	13.42%	12.48%	7.56%	12.55%	10.96%
NON-SUBSIDY REVENUE	\$396,406.00	\$390,308.00	\$244,339.00	\$409,904.00	\$348,952.00
OPERATING EXPENSES	\$2,954,653.00	\$3,128,480.00	\$3,229,976.00	\$3,266,239.00	\$3,183,338.00

SHARED RIDE RIDERSHIP PRODUCTIVITY TRENDS					
	FFY 2019	FFY 2020	FFY 2021	FFY 2022	FFY 2023
	18-19	19-20	20-21	21-22	22-23
PASSENGER TRIPS	50,066	39,333	27,419	39,202	39,407
VEHICLE REVENUE MILES	261,623	220,162	190,424	255,915	246,544
VEHICLE REVENUE HOURS	16,728	14,489	11,920	15,042	14,772
PASSENGER PER HOUR	2.99	2.71	2.30	2.61	2.67
OP. COST PER HOUR	\$ 86.10	\$ 94.90	\$ 104.23	\$ 94.38	\$ 96.29
OP. REVENUE PER HOUR	\$ 63.14	\$ 56.89	\$ 48.20	\$ 55.60	\$ 56.82
OP. COST PER TRIP	\$ 28.77	\$ 34.96	\$ 45.31	\$ 36.22	\$ 36.10
OP. COST PER MILE	\$ 5.51	\$ 6.25	\$ 6.52	\$ 5.55	\$ 5.77
FAREBOX RECOVERY	73.34%	59.95%	46.25%	58.90%	59.01%
NON-SUBSIDY REVENUE	\$1,056,242.00	\$824,282.00	\$574,583.00	\$836,278.00	\$839,386.00
OPERATING EXPENSES	\$1,440,266.00	\$1,374,935.00	\$1,242,432.00	\$1,419,739.00	\$1,422,408.00

DISCUSSION OF PROJECTED FINANCIAL CONDITION AND CAPACITY

LT's financial goals over the next five (5) years are designed to ensure that operating revenue continues to keep pace with operating expenses.

REVENUE PROJECTIONS

Non-Subsidy Revenue

Over the next five (5) years, LT expects Fixed Route Non-Subsidy Passenger Revenue to increase by at least 30% and Shared Ride Non-Subsidy Passenger Revenue to increase by 36% until it reaches Pre-Pandemic levels.

Federal 5307 Revenue

As previously reported, LT estimates the total Federal Operating Assistance to continue to increase slightly over the next five (5) fiscal years based on historic trends.

State Operating Assistance

Total PA State Act 89 Operating Assistance is expected to increase over the next five (5) years based upon historical trend and productivity.

Local Operating Assistance

Local Operating Assistance is expected to increase by 5% each year until a 15% local match is achieved.

OPERATING EXPENSE PROJECTIONS

Operating Expenses

LT anticipates an increase of 16% in Fixed Route Operating Expenses, and an increase of 18.7% in Shared Ride Operating Expenses over the next five (5) years.

Capital Expenses

LT will continue capital maintenance and improvement projects such as replacing new buses fitted for CNG fueling, safety and security IT upgrades and building renovations and/or expansion.

PRODUCTIVITY PROJECTIONS

Passenger per Vehicle Revenue Hour

Fixed Route Passenger per Hour is expected to go from 8.54 in FY 2023/2024 to 12.5 in FY 2027/2028.

Lebanon Transit is in the process of revamping its routes, adding two (2) additional runs in the evening, and adding a stop at the Expo Center; expected roll out is December 2023.

Shared Ride Passenger per Hour is expected to remain the same at 2.98 over the next five (5) years.

Cost per Vehicle Revenue Hour

Fixed Route Cost per Hour is expected to go from \$143.71 in FY 2023/2024 to \$170.97 in FY 2027/2028.

Shared Ride Cost per Hour is expected to go from \$118.72 in FY 2023/2024 to \$103.64 in FY 2027/2028.

Revenue per Vehicle Revenue Hour

Fixed Route Revenue per Hour is expected to go from \$13.75 in FY 2023/2024 to \$17.86 in FY 2027/2028.

Shared Ride Revenue per Hour is expected to go from \$63.67 in FY 2023/2024 to \$63.67 in FY 2027/2028.

Cost Per Passenger

Fixed Route Cost per Passenger is expected to go from \$16.83 in FY 2023/2024 to \$13.68 in FY 2027/2028.

Shared Ride Cost per Passenger is expected to go from \$39.77 in FY 2023/2024 to \$34.72 in FY 2027/2028.

Farebox Recovery

Fixed Route Farebox Recovery is expected to go from 9.57% in FY 2023/2024 to 10.45% in FY 2027-2028.

Shared Ride Farebox Recovery is expected to go from 53.63% in FY 2023/2024 to 61.43% in FY 2027/2028.

The following is a review of our Financial Projections through FY 2027/2028.

FIXED ROUTE FINANCIAL PROJECTIONS					
	FFY 2024	FFY 2025	FFY 2026	FFY 2027	FFY 2028
OPERATING REVENUES	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
PASSENGER FARES	\$276,000.00	\$303,600.00	\$333,960.00	\$367,356.00	\$404,092.00
EMPLOYERED SPOSORED ROUTE	\$10,000.00	\$13,212.00	\$13,212.00	\$31,212.00	\$13,212.00
ADVERTISING	\$60,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00
MISC	\$25,300.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
TOTAL	\$371,300.00	\$381,812.00	\$412,172.00	\$463,568.00	\$482,304.00
OPERATING EXPENSES		5.1%	5.6%	3.0%	3.2%
VEHICLE MAINTENANCE	\$593,519.00	\$623,328.00	\$649,328.00	\$670,675.00	\$692,480.00
FACILITY MAINTENANCE	\$86,975.00	\$68,893.00	\$72,118.00	\$74,524.00	\$76,988.00
VEHICLE OPERATIONS	\$2,243,264.00	\$2,378,607.00	\$2,562,025.00	\$2,644,392.00	\$2,739,922.00
GENERAL AND ADMINISTRATIVE	\$956,522.00	\$1,017,066.00	\$1,047,977.00	\$1,077,022.00	\$1,106,889.00
TOTAL	\$3,880,280.00	\$4,087,894.00	\$4,331,448.00	\$4,466,613.00	\$4,616,279.00
OPERATING LOSS	(\$3,508,980.00)	(\$3,706,082.00)	(\$3,919,276.00)	(\$4,003,045.00)	(\$4,133,975.00)
NON-OPERATING REVENUES					
FEDERAL 5307	\$1,144,253.00	\$1,148,375.00	\$1,483,271.00	\$1,516,723.00	\$1,592,559.00
STATE ACT 89, SECTION 1513	\$2,202,851.00	\$2,383,997.00	\$2,255,157.00	\$2,297,991.00	\$2,345,239.00
INTEREST	\$35,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
LOCAL CONTRIBUTION	\$126,876.00	\$133,710.00	\$140,848.00	\$148,331.00	\$156,177.00
TOTAL	\$3,508,980.00	\$3,706,082.00	\$3,919,276.00	\$4,003,045.00	\$4,133,975.00
NET INCOME/LOSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SHARED RIDE FINANCIAL PROJECTIONS					
	FFY 2024	FFY 2025	FFY 2026	FFY 2027	FFY 2028
OPERATING REVENUES	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
PASSENGER FARES	\$74,401.00	\$80,357.00	\$86,786.00	\$93,729.00	\$101,227.00
AGENCY REVENUE (AAA, MA, MHMR)	\$342,780.00	\$370,201.00	\$399,817.00	\$431,802.00	\$466,346.00
ADA FARES	\$16,301.00	\$17,870.00	\$19,300.00	\$20,844.00	\$22,511.00
ADA SUSIDY	\$76,457.00	\$82,304.00	\$88,889.00	\$96,000.00	\$103,679.00
PWD FARES	\$19,496.00	\$21,056.00	\$22,740.00	\$24,559.00	\$26,524.00
PWD STATE	\$97,488.00	\$105,287.00	\$113,710.00	\$122,807.00	\$132,631.00
LOTTERY STATE	\$355,444.00	\$383,886.00	\$414,596.00	\$447,764.00	\$483,585.00
MISC	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
TOTAL	\$982,417.00	\$1,061,011.00	\$1,145,888.00	\$1,237,555.00	\$1,336,553.00
OPERATING EXPENSES		5.0%	4.9%	3.4%	3.4%
VEHICLE MAINTENANCE	\$254,212.00	\$267,269.00	\$278,150.00	\$287,515.00	\$297,071.00
FACILITY MAINTENANCE	\$33,931.00	\$26,133.00	\$27,086.00	\$28,039.00	\$29,015.00
VEHICLE OPERATIONS	\$1,147,675.00	\$1,218,334.00	\$1,294,351.00	\$1,344,131.00	\$1,395,949.00
GENERAL AND ADMINISTRATIVE	\$395,961.00	\$417,349.00	\$429,348.00	\$441,299.00	\$453,591.00
TOTAL	\$1,831,779.00	\$1,929,085.00	\$2,028,935.00	\$2,100,984.00	\$2,175,626.00
OPERATING LOSS	(\$849,362.00)	(\$868,074.00)	(\$883,047.00)	(\$863,429.00)	(\$839,073.00)
NON-OPERATING REVENUES					
STATE ACT 89, SECTION 1513	\$837,362.00	\$856,074.00	\$871,047.00	\$851,429.00	\$827,073.00
LOCAL CONTRIBUTION	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
TOTAL	\$849,362.00	\$868,074.00	\$883,047.00	\$863,429.00	\$839,073.00
NET INCOME/LOSS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

The following is a review of LT's Ridership and Productivity Projections through FY 2027/2028.

FIXED ROUTE RIDERSHIP PRODUCTIVITY PROJECTIONS					
	23-24 bdgt data	24-25	25-26	26-27	27-28
PASSENGER TRIPS	230,495	253,545	278,899	306,789	337,468
VEHICLE REVENUE MILES	443,000	443,000	443,000	443,000	443,000
VEHICLE REVENUE HOURS	27,000	27,000	27,000	27,000	27,000
PASSENGER PER HOUR	8.54	9.39	10.33	11.36	12.50
OP. COST PER HOUR	\$ 143.71	\$ 151.40	\$ 160.42	\$ 165.43	\$ 170.97
OP. REVENUE PER HOUR	\$ 13.75	\$ 14.14	\$ 15.27	\$ 17.17	\$ 17.86
OP. COST PER TRIP	\$ 16.83	\$ 16.12	\$ 15.53	\$ 14.56	\$ 13.68
OP. COST PER MILE	\$ 8.76	\$ 9.23	\$ 9.78	\$ 10.08	\$ 10.42
FAREBOX RECOVERY	9.57%	9.34%	9.52%	10.38%	10.45%
NON-SUBSIDY REVENUE	\$ 371,300.00	\$381,812.00	\$412,172.00	\$463,568.00	\$482,304.00
OPERATING EXPENSES	\$ 3,880,280.00	\$4,087,895.00	\$4,331,449.00	\$4,466,613.00	\$4,616,279.00

SHARED RIDE RIDERSHIP PRODUCTIVITY PROJECTIONS					
	23-24 bdgt data	24-25	25-26	26-27	27-28
PASSENGER TRIPS	46,055	49,739	53,719	58,016	62,657
VEHICLE REVENUE MILES	260,408	281,241	303,740	328,039	354,282
VEHICLE REVENUE HOURS	15,430	16,664	17,998	17,437	20,992
PASSENGER PER HOUR	2.98	2.98	2.98	3.33	2.98
OP. COST PER HOUR	\$ 118.72	\$ 115.76	\$ 112.73	\$ 120.49	\$ 103.64
OP. REVENUE PER HOUR	\$ 63.67	\$ 63.67	\$ 63.67	\$ 70.97	\$ 63.67
OP. COST PER TRIP	\$ 39.77	\$ 38.78	\$ 37.77	\$ 36.21	\$ 34.72
OP. COST PER MILE	\$ 7.03	\$ 6.86	\$ 6.68	\$ 6.40	\$ 6.14
FAREBOX RECOVERY	53.63%	55.00%	56.48%	58.90%	61.43%
NON-SUBSIDY REVENUE	\$ 982,417.00	\$1,061,011.00	\$1,145,888.00	\$1,237,555.00	\$1,336,553.00
OPERATING EXPENSES	\$ 1,831,779.00	\$1,929,085.00	\$2,028,935.00	\$2,100,984.00	\$2,175,626.00

CONCLUSION

Lebanon Transit is confident it will have adequate financial capability to provide public transit service in Lebanon County for the next five (5) years and beyond. The projections are based on past trends and provide a realistic standard for future financial and productivity goals.

In the event operating assistance at the Federal, State or local level is cut drastically, LT will respond to these cuts in an aggressive, yet positive manner for the citizens of Lebanon County. Any challenges will be met through extensive discussion and planning with LT's Board of Directors who will provide the course of action needed to ensure fiscally viable transit operations.

LT's financial goal in the coming years is to maximize operating revenues to keep pace with operating expenses. LT is committed to providing cost effective public transportation and will strive to continue to meet this goal.

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Lebanon Transit is a Drug-Free Workplace
Lebanon Transit is an Equal Employment Opportunity Employer