

Table 6
VTA Has Established Reserves

RESERVE TYPE	PURPOSE	RESERVE AMOUNT AS OF JUNE 30, 2023 (IN MILLIONS)	DID VTA MEET THE RECOMMENDED RESERVE AMOUNT?
Operating Reserve	To ensure that sufficient funds are always available in the event of either unanticipated shortfalls in revenue from sources other than sales tax or unavoidable expenditure needs.	\$91	Yes
Sales Tax Stabilization	To mitigate the impact of sales-tax-receipt volatility on service levels and on the operating budget.	\$35	Meets maximum allowed in reserve
Debt Reduction	To enhance VTA's fiduciary governance practices and ensure that funds are available to sustain a capital program that maintains VTA's infrastructure and keeps assets in a state of good repair. May be used to reduce long-term liabilities or to provide funding for approved transit-related capital improvements and replacement of capital assets.	\$375	N/A*

Source: VTA fiscal year 2022–23 Annual Comprehensive Financial Report; VTA policy.

Note: In March 2024, the board approved a transfer of \$115 million from the Debt Reduction Reserve to help fund the EBRC Project.

* VTA's Debt Reduction Reserve does not have a targeted level of funding or a cap on the available balance. Once the targeted balances have been met for the Operating Reserve and the Sales Tax Stabilization Reserve, any additional amounts are added to the Debt Reduction Reserve.