



(A COMPONENT UNIT OF THE COUNTY OF CRAWFORD)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014



TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
on the Financial Statements.....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	4
FINANCIAL STATEMENTS:	
Statement of Net Position.....	14
Statement of Revenues, Expenses and Changes in Net Position.....	15
Statement of Cash Flows.....	16
Notes to the Financial Statements.....	18
REQUIRED REPORTS AND SCHEDULES:	
Expense Reports	
Fixed Route Expenses.....	28
Non-Fixed Route ADA Paratransit Expenses.....	29
Non-Fixed Route Shared Ride Expenses - Standard Service.....	30
Non-Public Expenses - Other Transportation.....	31
Revenue Reports	
Fixed Route Revenue.....	32
Non-Fixed Route Revenue.....	33
Non-Public Revenue - Other Transportation.....	34
Subsidy Reports	
Fixed Route Subsidies.....	35
Non-Fixed Route Subsidies.....	36
Budget Summary.....	37
Schedules	
Schedule S1 - Local Match Provided.....	38
Schedule S2 - Local Match Carryover.....	39
Schedule S4 - Rural PTAF/BSG/ASG Carryover.....	40
Schedule S5 - Rural Section 1513 Program Carryover.....	41
Schedule S6 - Shared Ride Expense Allocation Worksheet.....	42
OTHER REPORTS:	
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 <i>Government Auditing Standards</i>	43
Schedule of Finding and Responses.....	45



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crawford Area Transportation Authority
Meadville, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the Crawford Area Transportation Authority, a component unit of the County of Crawford, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority'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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Crawford Area Transportation Authority as of June 30, 2014, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 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 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Crawford Area Transportation Authority's basic financial statements. The expense reports, revenue reports, subsidy reports, budget summary, and schedules on pages 28-42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information referenced in the above paragraph 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 expense reports, revenue reports, subsidy reports, budget summary, and schedules on pages 28-42 are 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 December 22, 2014, on our consideration of the Crawford Area Transportation Authority'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 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 Crawford Area Transportation Authority's internal control over financial reporting and compliance.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Meadville, Pennsylvania

December 22, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crawford Area Transportation Authority
Management's Discussion and Analysis (MD&A)
June 30, 2014**

This discussion and analysis is intended to be read in conjunction with the audit and give the reader a perspective into the operations and administration of Crawford Area Transportation Authority (CATA). It also provides an overall review of CATA's financial activities as of and for the fiscal year ended June 30, 2014.

Authority Overview

CATA has served the public transportation needs of Crawford County since 1979. The Authority's services focus on two primary types of public transportation: Fixed Route and Demand Response (Shared Ride). The delivery of public transportation services in a rural setting provides many challenges and opportunities. CATA has worked hard over the last 8 years to proactively evaluate, monitor and plan for substantial changes within the administration and operations to ensure efficiency and stewardship of public funding and to meet the needs of our customers. To that end, from FY0607 – FY1314 CATA has increased our paid staff from 13 to 41, doubled our vehicle fleet from 16 to 32 and increased ridership by over 21%.

Fixed Route Services

CATA operates a total of 7 fixed routes in the City of Meadville including portions of West Mead and Vernon Township while operating 2 fixed routes in the City of Titusville. Fixed route service is open to the general public and has fees ranging from seniors age 65 and older ride free, adults (18-64) ride for \$1.00, age 6-17 ride for \$.50, and children 5 and under ride for free. Fixed route service is funded in part through grants from Act 89 of 2013, Federal 5311 operating funding and local grants from the Crawford County Commissioners. Act 89 of 2013 reaffirmed the funding principles of Act 44 of 2007 which streamlined the State funding sources and added accountability and performance measures in relation to allocation of funding. Act 89 funds are distributed to transit agencies against criteria which include: 25% of the award based on number of passengers, 10% of the award is based on number of senior passengers, 35% of the award is based on the number of revenue vehicle hours, and 30% of the award is based on the number of revenue vehicle miles.

Shared Ride Services (Demand Response)

CATA operates shared ride services throughout all of Crawford County. Services in the Meadville and Titusville areas operate 7 days per week, services in the Conneaut Lake, Harmonsburg, Saegertown and Cochranon areas operate 5 days per week and all other areas of the County are serviced between 1-3 days per week.

The shared ride program is open to the general public and is supported through reimbursement of fares for persons age 65 and older and persons with disabilities through the PA Lottery program. Lottery reimbursement is set at 85% of approved shared ride fares. There are many agencies that will support the full fare of trips for riders under age 65 and agencies that will support all or a portion of the 15% senior citizen copay.

Such arrangements include Active Aging, Inc. paying the senior citizen copay less \$.50 per trip for all seniors riding to the local senior center and Community Health Services (Medical Assistance Transportation Provider) paying full shared ride fares for eligible customers taking medical trips. General public fares on the shared ride program range from \$13.30 - \$41.65 per one way trip. Senior Citizen and disability fares range from \$2.00 - \$6.25 per one way trip.

The shared ride program is further categorized by various types of service and reimbursement through the state and broken into ADA Paratransit service (mandatory complimentary service for persons under the age of 65 that live or travel within $\frac{3}{4}$ of a mile of the fixed route and have a disability that restricts them from utilizing the fixed route), Non-Public Shared Ride services provided to human service type entities at hourly rates and Non-Public MATP (Medical Assistance Transportation Program) services funded through the Department of Public Welfare (Now referred to as the Department of Human Services) at hourly and/or per mile rates. Miles based service is provided for trips to medical destinations outside of CATA's normal service area. CATA's rates for Non-Public Shared Ride service operations for FY1314 were \$40.00 per hour drive time, \$20.00 per hour wait time and/or \$3.10 per mile.

Administration and Operations

CATA is governed by a 5 member volunteer Board of Directors. Each Board Member is appointed to a four year term by the Crawford County Commissioners. The Board of Directors is ultimately responsible for the operations, funding and compliance of CATA. The Board of Directors delegates the oversight and operations of CATA to the Executive Director. Internally, in addition to the Executive Director, CATA maintains a streamlined administration and operations staff that consists of a Finance Manager, Compliance Officer, Operations Manager, four Operations Supervisors, a part time Office Assistant and a Custodian. CATA provides all operational services with internal staff. Maintenance activities for all vehicles are contracted through three private service garages throughout Crawford County.

The Executive Director is responsible for strategic planning, fiscal oversight, public/private relations, contracting and all functions of CATA. The Finance Manager maintains the daily accounts receivable, accounts payable, payroll functions and all financial interactions/reporting with CATA's customers and grant agencies. The Compliance Officer is responsible for maintaining safety and compliance of all services, creation and facilitation of the driver training program, customer ombudsmen and other functions in relation to safety and security including administration of the Drug and Alcohol testing and reporting program. The Operations Manager is responsible for the day to day operations of the fixed route and shared ride programs which include driver scheduling, trip reservations, dispatching, new customer intake, oversight of maintenance contracts and all functions necessary to maintain operations. The four Operations Supervisors work directly with the Operations Manager to maintain the day to day operations.

Highlights from FY1314

Expansion of the Shared Ride Program

CATA saw unprecedented growth in the shared ride program over the course of FY1314. Ridership grew in total by 13% and is highlighted by the following:

Category	Fiscal year change
Senior Citizen Age 65+	10%
Persons with Disabilities (PwD)	14%
ADA Paratransit	17%
MATP (Shared Ride)	124%
MATP (Non Public)	340%
Hourly Contract service	-17%

The Medical Assistance Program (MATP) is funded by the Department of Human Services and directly contracted to each county. The Crawford County Commissioners contract the operation of this service to the Meadville Medical Center – Community Health Services (CHS). CATA provides trips on behalf of CHS via a subcontract. Trips under the MATP Shared ride are provided at full shared ride fares and MATP Non-Public trips are provided at per mile rates for trips outside the normal shared ride zones and/or shared ride time frames. CATA attributes the growth of services in part to our increased awareness and proactive work with our third party sponsors including Active Aging, Rolling Fields, Wesbury, Southwoods and Golden Living. We have also seen a sharp increase in general public trips by seniors for shopping, medical and recreational trips. In the MATP program, the demand of ADA accessible service to long distance medical appointments in Erie and the Cranberry area of Venango County have seen tremendous growth. CATA has also been able to slowly expand our in-county service times and days to provide full Monday – Friday service into Meadville between 9:00 – 5:00PM to the communities of Cochran, Conneaut Lake, Saegertown and Harmonsburg. The general public can now access these locations at any time during these time frames as opposed to historical service that was limited to 1-3 days per week at limited times.

Shared Ride Fare Increase

In reference to the growth of the shared ride program above, the growth of service is more impressive considering that PennDOT approved a fare increase for the shared ride service in FY1314. The Board of Directors established an implementation date of 8/1/13 for the fare increase to take effect. The fare increase, the first for the program since 2009, raised general public fares between \$1.65 - \$3.30 per one way trip. This fare increase resulted in senior citizen and PwD copays rising \$.25 - \$.50 per one way trip.

PennDOT Initiated Compliance and Performance Reviews

During FY1314, CATA completed 4 separate PennDOT reviews of our operations and programs. The reviews consisted of:

Shared Ride Compliance Review – Fall 2013

This review focused on the Lottery and PwD programs to ensure compliance with PennDOT regulations governing both programs. The review consisted of on-site documentation and policy review, data mining of all trips provided during the FY1112 and discussions between

consultant team and CATA management. The final result of the Review indicated a repayment by CATA to PennDOT in the amount of \$6,224.05 for discrepancies and 10 Major Findings in trip data, trip destinations and same day scheduling. CATA provided much documentation to challenge PennDOT's assertion of "Major Findings". CATA's assertion that all 10 Major Findings had a documented 96.0-99.9% compliance rate and thus were not areas of Major Findings. Specifically, 5 of 10 Major Findings were documented at 99.0% or greater compliance for the review area. PennDOT has since acknowledged to the PA Public Transportation Association (PPTA) that the term "Major Finding" will no longer be used in Compliance Reviews.

5311 Review – Spring 2014

This review is conducted each year and focuses on a three year cycle to complete the 5311 Tri-annual Review. PennDOT has proactively met with grantees each year to complete 1/3 of the required Tri-annual review. This year, the review focused on Project Management, Asset Management, Lobbying, Charter Bus, Title VI and Drug/Alcohol. The review highlighted two areas for reconciliation: Asset Management in relation to the timely completion of Preventative Maintenance on the fixed route fleet and the Drug/Alcohol program in which recently updated Federal Regulations needed to be incorporated into CATA's Drug/Alcohol program.

Capital Project Review – Spring 2014

This review was conducted by PennDOT Capital staff to focus on closing prior year capital applications for completed projects. CATA worked with PennDOT staff to identify remaining grant balances on various projects for fleet replacement and construction and made necessary changes to the Consolidated Capital Applications (CCA) to officially close prior year projects.

Act 44 Peer Review – Spring 2014

This review was conducted by PennDOT consultants to focus on mandatory review areas that were identified in Act 44 legislation for the Fixed Route program. The Peer review focuses on 4 primary areas of: Passengers/Revenue per hour, Operating Cost/Revenue Hour, Operating Revenue/Revenue Hour and Operating Cost/Passenger all measured against a pre-determined set of "Peer" transit agencies. The final report indicated CATA was fully compliant in all mandatory review areas and at risk in none. The review also looked at additional areas above the legislative requirements and highlighted areas for improvement including the creation of a strategic plan, creation of a succession plan, creation of standards on which to measure fixed route service and other areas.

How does CATA compare to other rural transit authorities in the Commonwealth?

CATA is proud to continually maintain the lowest operating expense per passenger of any rural fixed route provider in the Commonwealth. PennDOT issues an annual report that highlights statistics and information relating to all public transportation providers in the Commonwealth. The Pennsylvania Public Transportation Annual Performance Report dated April 30, 2014 identifies 14 rural transit authorities in the Commonwealth. The approximated average expense per fixed route passenger amongst the rural transit authorities is \$10.08. CATA reported an approximate operating expense per passenger for FY1213 at \$4.24. This is the lowest expense per passenger amongst all rural transit providers in the Commonwealth. For the shared ride program, the same rural transit authorities report an approximate average expense per

passenger of \$22.28. CATA reported an approximate operating expense per passenger for FY1213 at \$18.00.

Management Review of Funding Opportunity and Challenges

Pennsylvania continues to support stabilization and growth of public transportation. Act 89 of 2013 provided an influx of state capital funding that was unrealized with the passage of PA Act 44 of 2007. Many states do not receive dedicated state funding for fixed route operations and even fewer have dedicated funding for Shared Ride services that CATA receives through the PA Lottery legislation. CATA received a total of \$661,342 of State Act 89 funding and \$518,551 of PA Lottery funding for the fiscal year 2013-14.

CATA is also eligible for Federal 5311 funding for the Fixed Route and ADA Paratransit programs. 5311 funding is allocated directly to the transit authority for urban systems. Funding for rural systems is allocated to the State DOT (PennDOT) and then disbursed to the grantees (Rural Transit Authorities) through competitive grant applications. CATA received \$271,000 of Federal 5311 operating assistance for the fixed route program in FY1314. With the State and Federal funding CATA received this fiscal year, coupled with our improvements in service, CATA was successful in building an operating reserve of Act 89/ Act 44 Section 1513 funding in the amount of \$221,758 as of June 30, 2014.

At CATA, we pride ourselves on being good stewards of public funding. We have worked extremely hard over the years to contain our costs and strategically improve our services. CATA has seen a period of exponential growth coupled with strict control of expenses over the last 8 years. During FY1314, CATA completed an assessment of the fixed route operations to determine the continuation of the Evening Route in Meadville and assess options for improved services in both Meadville and Titusville. The result was the elimination of the Evening Route and the extension of Red/Blue/Green routes in Meadville from 8:00PM – 10:00PM and the Blue/Green routes extending from 5:00PM – 7:00PM Monday through Friday as of 7/1/14.

The shared ride program is financially supported through fare reimbursement via the PA Lottery. In FY1314 CATA received \$518,551 of lottery funds to support the shared ride program. It is important to note that the shared ride lottery funding is not grant based, it is strictly fare reimbursement. This poses a challenge to maintain an operation that is self-sufficient without guaranteed funding. The PA Lottery reimburses 85% of a senior citizen trip (PA legislation identifies a senior as a person age 65 or older). The challenge is present when unforeseen weather conditions or other conditions that alter the travel patterns or cause persons to cancel pre-scheduled trips. When these cancellations occur, CATA receives no revenue, thus putting a higher burden on active control over scheduling procedures, daily driver assignments and seeking out new ridership. Very few systems in the Commonwealth are able to achieve full cost recovery on the shared ride program. For FY1314, the shared ride program was supported with \$21,490 of funding from the Act 89/ Act 44 Section 1513 program.

CATA maintains a number of contracts with local social service agencies to support shared ride passenger fares. The two largest partnerships are Active Aging, Inc. and Community Health Services (CHS). Active Aging, Inc. pays the 15% rider copay less \$.50 per trip for seniors attending senior center functions. Active Aging, Inc. also pays the full (non-lottery subsidized) fare for persons attending senior center activities under the age of 65. The value of the Active

Aging, Inc. contract for FY1314 was \$41,205. CHS is the County MATP program. MATP is a division of the Department of Public Welfare (now named the Department of Human Services) and provides free transportation to eligible consumers for medical transportation. CATA acts as a subcontractor for CHS and is reimbursed 100% of the shared ride fare for all trips. Seniors riding through MATP are not eligible for lottery discounts. The value of the CHS contract for FY1314 was \$66,197. CATA maintains other third party contracts with local human service agencies to cover the 15% senior copay and/or provide full fare reimbursement to the Authority for client transportation.

The shared ride program is further distinguished by PennDOT for three additional modes of transportation, that of ADA Paratransit Service, Non-Public Shared Ride and Non Public MATP service. For the ADA Paratransit program, the only grant based funding source available is Federal 5311 funding. Federal 5311 funding is available for Rural transit authorities to recuperate up to 50% of the program operating deficit (expenses less fare revenue) to help stabilize the program. Based on PennDOT's decision in providing discretionary 5311 funding, CATA received no 5311 funding to support the ADA Paratransit program and thus utilized \$43,057 of Act 89/ Act 44 Section 1513 funding to balance the program.

Finally, CATA operates within the shared ride program a service that PennDOT refers to as "Non-Public Shared Ride" and "Non Public MATP". These programs afford CATA the opportunity to provide transportation to human service agencies and other non-profit entities on a "per hour" or "per mile" basis. The largest customer for these programs is CHS. CATA received \$90,520 of reimbursement for trips considered a part of the Non Public MATP service. These trips consist of long distance medical trips outside CATA's service hours and operating zones. The most frequent type of trip is a medical trip to the Erie area. Collectively for the FY1314, CATA maintained an operating surplus of \$17,346 for the Non-Public Contracting program which is used to supplement the expense over revenue for the shared ride program.

Financial Highlights

Total operating revenues were \$1,140,840 for the year ended June 30, 2014.

Total operating subsidies utilized were \$842,083 for the year ended June 30, 2014.

Total local contributions utilized were \$32,800 for the year ended June 30, 2014.

Total operating expenses less depreciation were \$2,002,681 for the year ended June 30, 2014.

Overview of the Financial Statements

CATA's basic financial statements are comprised of: 1) statement of net position, 2) statement of revenues, expenses and changes in net position, 3) statement of cash flows, and 4) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

CATA's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Statement of Net Position

The statement of net position presents the financial position of the Authority. It presents information on assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues are recognized when earned, not when they are received. Expenses are recognized when incurred, not when they are paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused sick leave).

Statement of Cash Flows

The statement of cash flows presents information on the effect changes in assets and liabilities have on cash during the course of the fiscal year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

Net Position

The Authority's net position may serve over time as a useful indicator of CATA's financial position. The Authority's assets exceed liabilities by \$4,473,514 as of June 30, 2014.

Statements of Net Position June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current assets	\$ 552,040	\$ 408,065
Capital assets, net	4,421,536	5,020,906
Total Assets	<u>4,973,576</u>	<u>5,428,971</u>
Current liabilities	176,823	139,710
Long-term liabilities	323,239	224,609
Total Liabilities	<u>500,062</u>	<u>364,319</u>
Invested in capital assets	4,421,536	5,020,906
Restricted net position	38,913	38,913
Unrestricted net position	13,065	4,833
Total Net Position	<u>\$ 4,473,514</u>	<u>\$ 5,064,652</u>

The largest portion of CATA's net position is its investment in capital assets (e.g. land, buildings, buses, vans and equipment). CATA received capital grant funding from the federal, state, and local governments to acquire these capital assets. Therefore, certain restrictions are placed on their disposal and any proceeds from the sale of these assets are restricted for purchases of other capital assets, subject to approval from PennDOT.

Changes in Net Position

A condensed summary of CATA's statement of revenues, expenses and changes in net assets is presented below:

Statements of Revenues, Expenses and Changes in Net Position For the Fiscal Years ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Passenger fares and government programs	\$ 819,191	\$ 710,031
Contract revenues	298,242	161,591
Other operating revenues	23,407	14,472
Total Operating Revenues	<u>\$ 1,140,840</u>	<u>\$ 886,094</u>
Operating Expenses:		
Wages and benefits	1,204,384	1,024,213
Fuel, tires and other materials	366,570	315,989
Depreciation	609,636	640,092
Other operating expenses	431,727	386,511
Total Operating Expenses	<u>2,612,317</u>	<u>2,366,805</u>
Nonoperating Revenues and Expenses:		
Commonwealth of Pennsylvania planning grant	15,829	42,521
Commonwealth of Pennsylvania operating grant	565,233	803,741
Federal government	271,000	-
Local governments	38,650	36,878
Gain (loss) on disposal of capital assets	10,266	(27,301)
Planning grant expenses	(20,639)	(41,379)
Total Nonoperating Revenues and Expenses	<u>880,339</u>	<u>814,460</u>
Capital Grant Funding	<u>-</u>	<u>2,000</u>
Decrease in Net Position	<u>\$ (591,138)</u>	<u>\$ (664,251)</u>

CATA is primarily dependent on Federal, State, and local grants and contributions to fund its operating deficits. The funding assistance received from these entities is included in non-operating revenues and accounted for approximately 50% of operating and non-operating revenues for the year ended June 30, 2014.

Non-Financial Statistical Information

	Ridership	
	FY12-13	FY13-14
Fixed Route Program		
Senior Citizens (Age 65+)	36,708	36,171
Full Fare	111,551	113,151
Third Party Sponsor	33,327	33,736
Age 6-17 (half fare)	13,285	10,591
Under Age 5 (free)	12,959	11,173
Transfers (free)	25,725	25,933
	233,555	230,755

	Ridership	
	FY12-13	FY13-14
Shared Ride Program		
Senior Citizens (Age 65+)	30,860	33,776
Persons with Disabilities	3,262	3,675
ADA Paratransit	4,150	4,917
Medical Assistance	2,330	4,448
Non-Lottery Funded	579	1,253
Hourly/per mile Contract	9,708	8,366
	50,889	56,435

	Total Vehicle Miles	
	FY12-13	FY13-14
Fixed Route Program	236,697	241,661
Shared Ride Program	244,803	328,495
	481,500	570,156

Request for Information

This financial report is designed to provide a general overview of CATA's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to the Executive Director at Crawford Area Transportation Authority, 214 Pine Street, Meadville, PA 16335.

Crawford Area Transportation Authority

Statement of Net Position

June 30, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents (including restricted grant funds of \$279,478)	\$	271,477
Accounts receivable		84,035
Grants receivable		169,284
Prepaid insurance		27,244

TOTAL CURRENT ASSETS 552,040

CAPITAL ASSETS, NET

4,421,536

\$ 4,973,576

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$	72,915
Accrued expenses		88,443
Grants refundable		15,465

TOTAL CURRENT LIABILITIES 176,823

UNEARNED REVENUE

Act 26 grant		187
Act 3 grant - ASG and BSG		36,200
Act 4 grant		21,333
Act 44 grant		221,758
Local match		24,687
Proceeds from prior year vehicle sales		17,169
Contract Service		1,905

323,239

TOTAL LIABILITIES 500,062

NET POSITION

Invested in capital assets		4,421,536
Restricted (Note I)		38,913
Unrestricted		13,065

TOTAL NET POSITION 4,473,514

\$ 4,973,576

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2014

	Fixed Route	Rural ADA	Shared Ride	Non Public	Total
OPERATING REVENUES					
Passenger Fares	\$ 109,646	\$ 7,798	\$ 65,529	\$ -	\$ 182,973
State Shared Ride Program	-	-	518,551	-	518,551
State Welfare to Work Program	65,000	-	-	-	65,000
State Persons with Disabilities Program	-	-	52,667	-	52,667
Area Agency on Aging	-	52	41,153	-	41,205
Other Contract Revenue	30,311	925	110,350	115,451	257,037
Advertising	180	-	-	-	180
Miscellaneous Income	16,118	768	6,102	239	23,227
	<u>221,255</u>	<u>9,543</u>	<u>794,352</u>	<u>115,690</u>	<u>1,140,840</u>
OPERATING EXPENSES					
Salaries & Wages	436,042	28,796	429,633	41,808	936,279
Fringe Benefits	128,282	6,446	119,928	13,449	268,105
Services	165,527	3,583	72,065	8,247	249,422
Fuel & Lubricants	176,869	5,530	118,894	13,825	315,118
Tires & Tubes	-	392	8,431	980	9,803
Other Materials & Supplies	18,107	1,142	20,985	1,415	41,649
Utilities	25,035	1,389	13,984	619	41,027
Casualty & Liability Costs	47,414	2,237	20,487	836	70,974
Miscellaneous	33,962	3,085	29,134	4,123	70,304
Depreciation	313,356	25,512	257,726	13,042	609,636
	<u>1,344,594</u>	<u>78,112</u>	<u>1,091,267</u>	<u>98,344</u>	<u>2,612,317</u>
GAIN (LOSS) FROM OPERATIONS	(1,123,339)	(68,569)	(296,915)	17,346	(1,471,477)
NONOPERATING REVENUE/(EXPENSES)					
Capital Funds Used for Operating Assistance and Planning Grants:					
RVT/EMTA Technical Assistance Grant	-	-	15,829	-	15,829
Operating Grants:					
Federal government	271,000	-	-	-	271,000
Commonwealth of Pennsylvania Act 44 Funds	500,686	43,057	21,490	-	565,233
Local governments Act 44 Matching Funds	32,800	-	-	-	32,800
Other Commonwealth and Local Operating Funds	5,497	-	353	-	5,850
	<u>809,983</u>	<u>43,057</u>	<u>21,843</u>	<u>-</u>	<u>874,883</u>
Total Government Subsidies for Operations	809,983	43,057	21,843	-	874,883
Gain on Disposal of Capital Assets	9,612	-	654	-	10,266
RVT/EMTA Technical Assistance Grant Expenses	-	-	(20,639)	-	(20,639)
Interfund Transfer of Non Public Surplus to Offset Loss in Shared Ride	-	-	17,346	(17,346)	-
	<u>819,595</u>	<u>43,057</u>	<u>35,033</u>	<u>(17,346)</u>	<u>880,339</u>
TOTAL NONOPERATING REVENUE/(EXPENSES)	819,595	43,057	35,033	(17,346)	880,339
CHANGE IN NET POSITION	(303,744)	(25,512)	(261,882)	-	(591,138)
NET POSITION, BEGINNING OF YEAR	2,867,149	215,212	1,982,291	-	5,064,652
NET POSITION, END OF YEAR	<u>\$ 2,563,405</u>	<u>\$ 189,700</u>	<u>\$ 1,720,409</u>	<u>\$ -</u>	<u>\$ 4,473,514</u>

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Cash Flows
Year Ended June 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from services provided	\$ 999,857
Payments to suppliers for goods and services	(738,345)
Payments to employees for services	(936,279)
Payments for employee benefits and taxes	<u>(268,105)</u>
NET CASH USED BY OPERATING ACTIVITIES	(942,872)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Receipts from operating grants	981,366
Receipts from technical assistance grant	37,246
Payments to employees for technical assistance	(20,083)
Payments for employees benefits and taxes for technical assistance	<u>(556)</u>
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	997,973
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Receipts from capital grants	1,600
Acquisition of capital assets	(10,266)
Proceeds from sale of capital assets	<u>508</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(8,158)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,943
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>224,534</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 271,477</u></u>

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2014

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (1,471,477)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	609,636
Increase in accounts receivable	(71,654)
Increase in grants receivable	(71,234)
Decrease in prepaid expenses	22,839
Increase in accounts payable	19,616
Increase in accrued expenses	17,497
Increase in unearned revenue - contract service	<u>1,905</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (942,872)</u></u>

See notes to the financial statements.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE A - ORGANIZATION

The Crawford Area Transportation Authority (the Authority) was incorporated April 16, 1979 pursuant to the Municipality Authorities Act of May 2, 1945, P.L. 382, as amended. The Authority is authorized by law to promote or provide transportation services to the public.

The powers of the Authority are exercised by a Board of Directors consisting of five members who are appointed by the Crawford County Commissioners.

The Authority receives operating funds under the following programs:

Fixed Route (Act 44 Section 1513, Federal Section 5311) - As a rural public transportation provider, the Authority receives both Federal and State operating assistance for the delivery of fixed route service. Federal operating assistance is awarded based on grant applications to PennDOT for Federal 5311 funding. This funding is restricted to use within the fixed route and ADA Para transit programs and cannot be deferred for future years. There is no local matching requirement for Federal 5311 operating assistance. State operating assistance is provided through PA Act 44 of 2007. The Section 1513 program is a formula grant that provides operating assistance for all modes of public transportation. Section 1513 funding balances from the current year may be deferred for future use. The Authority is currently within the "hold harmless" matching requirement that stipulates local match of Section 1513 funding must be 5% greater than the previous year until such a time that the local match equals 15% of the Section 1513 allocation. All Section 1513 funding that is deferred must be classified by year and classified as fully matched, thus requiring no local match contribution when used in future years.

Shared Ride (Lottery Funding) - The Commonwealth of Pennsylvania offers a "revenue reimbursement" program for the operation of door-to-door services for senior citizens age 65 and older. Lottery funding supports 85% of the PennDOT approved fare schedule for each transit authority. There is no local match requirement for shared ride lottery funding and no potential for deferment of revenue for future years. The Shared Ride program is also encompassed by services provided for which no Lottery reimbursement is received. This service is categorized by PennDOT as "Non-Public – Non Shared Ride Paratransit" and "Non-Public –MATP Non Shared Ride Paratransit". These programs, although provided by CATA through Shared Ride vehicles and Shared Ride drivers are considered separate program line items by PennDOT since no Lottery funding is associated with the delivery of trips. These services are primarily categorized as hourly rate contract service to non-profit, human service entities and per mile reimbursement for approved Medical Assistance Transportation Program (MATP) trips and other non-profit, human service entities.

Welfare to Work (W2W) - The program is operated on yearly grant allocations from PennDOT. This program is designed to provide access to employment by low income and minority populations. The Authority uses the W2W program to support late evening bus service in Meadville and provide approved shared ride trips to persons in the program. In order to be eligible for the shared ride W2W trips, a person must meet income guidelines and have at least one child under their financial responsibility.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE A - ORGANIZATION (CONTINUED)

Persons with Disabilities - The Commonwealth of Pennsylvania offers a "revenue reimbursement" program for the operation of door-to-door services for persons with disabilities under the age of 65 that live or travel more than 3/4 of one mile outside of the fixed route network. Persons with disabilities funding supports 85% of the PennDOT approved fare schedule for each transit authority. There is no local match requirement for persons with disabilities funding.

Homeless Assistance Program (HAP) - Funding is provided based upon yearly grant awards from the Crawford County Commissioners. Bus passes are provided to persons who are either homeless, near homeless or living in transitional housing. Up to 10% of yearly funding can be used for administration purposes.

Human Services Development Fund (HSDF) - Funding is provided based upon yearly grant awards from the Crawford County Commissioners. Bus passes are provided to persons who need access to life skill or human service development activities. Up to 10% of yearly funding can be used for administration purposes.

The Authority is a component unit of the County of Crawford (County). The County appoints all members to the board of directors of the Authority. Also, the County makes annual contributions to help fund the fixed route and local match for future capital purchases.

The Authority received the following non-operating funding during the year ended June 30, 2014:

Technical Assistance Grant - The PA Department of Transportation, Bureau of Public Transportation entered into an agreement with the Williamsport Bureau of Transportation DBA River Valley Transit Authority (RVT) on March 22, 2012 to provide Technical Assistance and Management support to the Endless Mountains Transportation Authority (EMTA) with an estimated completion date of October 31, 2012 which was extended until June 30, 2013 for a total grant value of \$262,000. On October 31, 2013 the grant was extended from July 1, 2013 through June 30, 2014 for a total additional value of \$178,000. Per the Technical Assistance Grant, RVT has included in the grant documents, at the request of the PA Department of Transportation, Bureau of Public Transportation, shared ride management support services to be provided by the Authority. The total value of services for the year ended June 30, 2014 was \$20,639.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Crawford Area Transportation Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements

These financial statements are presented in accordance with GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* (GASB No. 34). The Authority is engaged only in business-type activities and is required to present the financial statements as required for enterprise funds which are part of proprietary funds. The Authority does not report any component units.

Basis of Presentation

Proprietary funds account for activities of the Authority similar to those found in the private sector, where cost recovery and the determination of net income are useful or necessary for sound fiscal management. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. Currently, enterprise funds are the only type of proprietary fund that the Authority uses.

Measurement Focus and Basis of Accounting

The statement of net position and the statement of revenues, expenses and changes in net position are reported using the flow of economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Such revenue is subject to review by the funding agency, which may result in disallowance in subsequent periods.

All of the Authority's activities are accounted for in a single proprietary or business-type fund. Proprietary funds distinguish operating revenues and expenses from non-operating items and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as either nonoperating revenues and expenses or capital grant funding.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments have the option of following subsequent private-sector guidance for the business-type activities, subject to this same limitation. The Authority has elected to follow subsequent private-sector guidance.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Authority considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Authority considers all interest bearing and non-interest bearing checking and savings accounts to be cash and cash equivalents (including restricted assets).

Cash and Cash Equivalents - Restricted

Cash and cash equivalents, whose use is limited to a specific purpose, have been classified as restricted in the statement of net position.

Accounts and Grants Receivable

Accounts receivable and grants receivable represent amounts earned during the year, but not received until after year end. Management believes that these amounts are fully collectible, therefore no allowance for uncollectible accounts was recorded at June 30, 2014.

Capital Assets

The Authority records capital assets at cost or, if donated, at estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The following estimated useful lives are used for depreciation purposes:

<u>Assets</u>	<u>Useful life (Years)</u>
Facility	30
Transportation equipment	4-10
Office furniture and equipment	4-15
Other support vehicles	4

Expenses for repairs and maintenance costs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

Upon sale of property, proceeds related to assets still having useful lives are returned to the various granting agencies or applied to current capital project grants. All other proceeds are recognized as miscellaneous income. The cost and related accumulated depreciation are eliminated from the respective accounts.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenues of the Authority are charges to customers for transportation services, revenues from third party contracts, and operating subsidies from the state. Operating expenses include cost of providing transportation services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal nonoperating revenues of the Authority are operating, planning and capital grants from federal, state and local governments.

Net Position

The Authority's net position consists of three components - invested in capital assets, restricted and unrestricted. Invested in capital assets consists of capital assets, net of accumulated depreciation. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors, grantors, contributors or laws, or regulations or other governments or imposed by law through constitutional provisions or enabling legislation. The Authority's restricted net position is expendable. Unrestricted net position consist of net position that does not meet the definition of "restricted" or "invested in capital assets".

Budgetary Data

The Authority prepares an annual budget of its operating revenues and operating expenses. The budget is accepted by the Authority's Board of Directors by the passage of a resolution.

Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash and cash equivalents, receivables, accounts payable and other current liabilities approximate their fair market value due to the short term maturities of these instruments.

Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through December 22, 2014, the date the financial statements were available to be issued.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking and saving accounts and cash on hand of \$100.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a policy for custodial risk on deposits. At June 30, 2014, the carrying amount of the Authority's deposits was \$271,377 with the corresponding bank balance of \$326,619. Of the bank balance at June 30, 2014, \$250,000 was covered by federal depository insurance and \$76,619 was collateralized with securities held by the pledging financial institution's trust department but not in the name of the Authority (Public Monies Act 72).

Restricted Cash

Restricted cash consists of unspent grant funding from the state. The amount of unspent grant funds at June 30, 2014 was \$279,478.

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Balance 6/30/13	Additions	Disposals	Balance 6/30/14
Land	\$ 420,824	\$ -	\$ -	\$ 420,824
Facility	2,822,980	-	-	2,822,980
Transportation equipment	3,536,792	-	(34,442)	3,502,350
Office furniture and equipment	263,005	10,266	-	273,271
Other support vehicles	78,645	-	-	78,645
	<u>7,122,246</u>	<u>10,266</u>	<u>(34,442)</u>	<u>7,098,070</u>
Less: Accumulated depreciation	<u>(2,101,340)</u>	<u>(609,636)</u>	<u>34,442</u>	<u>(2,676,534)</u>
Net capital assets	<u>\$ 5,020,906</u>	<u>\$ (599,370)</u>	<u>\$ -</u>	<u>\$ 4,421,536</u>

NOTE E - COMPENSATED ABSENCES

Prior to July 1, 2011, full-time employees could earn vacation, sick and personal time off, which could be accumulated and carried over into future years up to a maximum of 60 vacation, 60 sick, and 30 personal days. Employees were entitled to all of their vacation and half of their sick and personal days upon proper termination of employment. As of July 1, 2011, the Crawford Area Transportation Authority Board of Directors adopted a revised policy on the accrual of compensated absences. Full-time employees may now accrue and carry over zero vacation days, a maximum of 12 sick days over the current year allocation and zero personal days. The amount of accrued compensated absences at June 30, 2014 is \$44,195. This amount is included in the statement of net position in accrued expenses.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE F - GRANTS REFUNDABLE

Grants refundable consists of monies received by the Authority but not spent as of June 30, 2014. These funds are due back to the funding source upon their request.

A summary of grants refundable at June 30, 2014 is as follows:

Fixed Route, Section 5311 / Act 26 Grant	\$ 11,114
Other Shared Ride Grants	<u>4,351</u>
	<u>\$ 15,465</u>

NOTE G - LINE OF CREDIT

The Authority has a line of credit with Erie Bank, in the amount of \$250,000. The line of credit is subject to interest at 65% of the bank's prime lending rate plus .25%. The interest rate at June 30, 2014 was 3.175%. The line of credit had no outstanding balance at June 30, 2014.

NOTE H - UNEARNED REVENUE

In August 1991, the Pennsylvania legislature passed a dedicated source of funding for public transportation. This legislation, known as Act 26, provided for additional sales taxes to be collected by the Department of Revenue and passed through the Department of Transportation to transit authorities for both capital and capital asset maintenance costs. Effective July 1, 2007, the Pennsylvania legislature passed Act 44, which eliminated additional state funding under Act 26. Expenditures from the remaining funds are to be used for capital projects. The local match required on these restricted funds is 1/30 of capital expenditures.

In April 1997, the Pennsylvania legislature passed a dedicated source of funding for public transportation. This legislation, known as Act 3, provided for a transfer of sales tax collected by the Department of Revenue and passed through the Department of Transportation to transit authorities for operating assistance, capital and capital asset maintenance costs. Effective July 1, 2007, the Pennsylvania legislature passed Act 44, which eliminated additional state funding under Act 3. Expenditures from the remaining funds are to be used for capital projects. The local match required on these restricted funds is 1/30 of capital expenditures.

In past years, the Commonwealth of Pennsylvania had provided funding to the Authority under Act 4 Operating Assistance Grant as a supplement to the federal grant portion.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE H - UNEARNED REVENUE (CONTINUED)

For the year ended June 30, 2014, the following transactions occurred relative to the Act 26, Act 3 BSG, Act 3 ASG, and Act 4 funding:

	Act 26	Act 3 BSG	Act 3 ASG	Act 4
Balance, July 1, 2013	\$ 187	\$ 28,561	\$ 7,598	\$ 21,309
Interest earned	-	32	9	24
Total available	187	28,593	7,607	21,333
Funds expended	-	-	-	-
Balance, June 30, 2014	<u>\$ 187</u>	<u>\$ 28,593</u>	<u>\$ 7,607</u>	<u>\$ 21,333</u>

The Authority received funding through an Act 44 grant from the Commonwealth of Pennsylvania. Monies under the grant are provided for operating expenses. Amounts not utilized are deferred to future years.

The Authority receives local match funds from County of Crawford and from other municipalities. Of the unearned balance at June 30, 2014, \$8 is from the County of Crawford and \$24,679 is from other municipalities.

When the Authority disposes of capital assets purchased with grant monies, the proceeds are to be held and used for future capital purchases.

For the year ended June 30, 2014, the following transactions occurred relative to the Act 44 funding, local match, and proceeds from sales of capital assets:

	Act 44	Local Match	Capital Asset Sales
Balance, July 1, 2013	\$ 125,148	\$ 14,879	\$ 26,927
Funds received	661,342	42,580	508
Interest earned	501	28	-
Total available	786,991	57,487	27,435
Funds expended	(565,233)	(32,800)	(10,266)
Balance, June 30, 2014	<u>\$ 221,758</u>	<u>\$ 24,687</u>	<u>\$ 17,169</u>

NOTE I - NET POSITION

The Board of Directors has set aside funds for the future costs associated with the Technical Assistance Grant RVT/EMTA. These funds, which amounted to \$4,834 at June 30, 2013, were spent during the year ended June 30, 2014.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE I - NET POSITION (CONTINUED)

Restricted net position in the amount of \$38,913 (fixed route - \$3,961 and shared ride - \$34,952) at June 30, 2014 represents the excess of revenues over expenses from prior years for the Authority's contract service operation provided as part of the fixed route and shared ride programs for non-profit agencies purchasing bus service from the Authority at hourly contract rates. The occurrence of revenue over expenses for this operation date as far back as the June 30, 1990 audited financial statements.

NOTE J - SUPPORT FROM GOVERNMENTAL UNITS

The Authority receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Authority's programs and activities.

NOTE K - OPERATING LEASE

Prior to December 31, 2012, the Authority rented the Titusville office facilities under a yearly operating lease running from June 1st to May 31st with variable monthly payments of \$175 to \$180. The Authority had also entered into an operating lease for a parking lot for the Titusville fleet of commercial vehicles.

On December 1, 2012, the Authority entered into an operating lease for the Titusville office facilities and parking lot. The lease terms are from January 1, 2013 to December 31, 2015 with monthly payments of \$455.

One of the Crawford Area Transportation Authority board members is the executive director of the Organization who owns the leased property.

Total rental expense for the year ended June 30, 2014 was \$5,152.

The future minimum rental payments for the office facilities and parking lot are as follows:

<u>Year ended June 30,</u>		
2015	\$	5,460
2016	\$	2,730

NOTE L - EMPLOYEE BENEFIT PLAN

The Authority maintains a 457 retirement plan for all employees who have completed one year of service. The plan provides for voluntary employee contributions and a company match of up to 5% of the employee's contribution. Contributions for the year ended June 30, 2014 were \$16,199. The assets in this plan are held in trust for the exclusive benefit of the participants and beneficiaries, and therefore, in accordance with GASB Statement No. 32, the assets and liabilities are not included in the Authority's financial statements.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE M - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority is a member in the State Association for Transportation Insurance Property & Liability Pool (SAFTI), a public entity risk pool currently operating as a common risk management and insurance program. The Authority pays annual premiums to SAFTI for its property, general liability, automobile liability, auto physical damage and crime, boiler and machinery, and public officials' error and omissions insurance coverage. The agreement for formation of SAFTI provides that SAFTI will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain amounts specified for each type of coverage. In the event annual premiums are not sufficient to fund operations or obligations of SAFTI, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to SAFTI for the above coverages and charged to operations amounted to \$70,974 for the year ended June 30, 2014.

The Authority is a member in the State Association for Transportation Insurance Workers' Compensation Pool, a public entity risk pool currently operating as a common risk management and insurance program. The Authority pays annual premiums to the State Association for Transportation Insurance Workers' Compensation Pool for its workers' compensation insurance coverage. The agreement for formation of the State Association for Transportation Insurance Workers' Compensation Pool provides that the State Association for Transportation Insurance Workers' Compensation Pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain amounts specified. In the event annual premiums are not sufficient to fund operations or obligations of the State Association for Transportation Insurance Workers' Compensation Pool, additional supplementary premiums may be assessed to members on a pro-rata basis. Premiums paid to the State Association for Transportation Insurance Workers' Compensation Pool and charged to operations amounted to \$62,574 for the year ended June 30, 2014.

For the year ended June 30, 2014, there has been no significant reduction in insurance coverage from coverage in the prior years. Settled claims have not exceeded the insurance coverage purchased for the years ended June 30, 2014, 2013, and 2012.

NOTE N - DISTRIBUTION BASIS FOR ALLOCATED COSTS

The Authority uses an actual expense incurred method of allocation of costs for all programs for the following expenses: driver and administration wages, taxes and fringe benefits, purchase of transportation services, vehicle insurance and fuel. General administration costs are allocated from a formula determined by the Authority and based on actual miles driven during the year ended June 30, 2014. The allocation of general administration expenses for the fiscal year ended June 30, 2014 was: Fixed Route 45%, Shared Ride 47%, Rural ADA 3% and Non public 5% .

NOTE O - SUBSEQUENT EVENT

On December 22, 2014, CATA signed a sales agreement for the purchase of a building and 2.35 acres for \$350,000.

REQUIRED REPORTS AND SCHEDULES

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: FIXED ROUTE EXPENSES
SUBCATEGORY: RURAL

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
Operating Expenses				
1 Operator's Salaries & Wages	\$ 257,462	\$ -	\$ -	\$ 257,462
2 Other Salaries & Wages	-	-	178,580	178,580
3 Fringe Benefits	80,304	-	47,978	128,282
4 Services	-	152,716	12,811	165,527
5 Fuel & Lubricants	176,869	-	-	176,869
6 Tires & Tubes	-	-	-	-
7 Other Materials & Supplies	-	8,928	9,179	18,107
8 Utilities	-	-	25,035	25,035
9 Casualty & Liability Costs	21,099	-	26,315	47,414
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	12,843	-	21,119	33,962
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>548,577</u>	<u>161,644</u>	<u>321,017</u>	<u>1,031,238</u>
Applied Reconciling Items				
15 Interest Expense				-
16 Leases & Rentals				-
17 Depreciation (privately funded assets only)				-
18 Amortization of Intangibles				-
19 Purchase Lease Agreement				-
20 Related Parties Lease Agreement				-
Other Reconciling Items				
21 Identify _____				-
22 Total Applied Reconciling Items				<u>-</u>
23 Total Operating Expenses				<u>1,031,238</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				313,356
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify _____				-
27 Total Non-Applied Reconciling Items				<u>313,356</u>
28 Total Operating Expenses per Audit				<u><u>\$ 1,344,594</u></u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: ADA PARATRANSIT EXPENSES
SUBCATEGORY: RURAL

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
Operating Expenses				
1 Operator's Salaries & Wages	\$ 13,939	\$ -	\$ -	\$ 13,939
2 Other Salaries & Wages	-	-	14,857	14,857
3 Fringe Benefits	3,247	-	3,199	6,446
4 Services	-	2,730	853	3,583
5 Fuel & Lubricants	5,530	-	-	5,530
6 Tires & Tubes	-	392	-	392
7 Other Materials & Supplies	-	530	612	1,142
8 Utilities	-	-	1,389	1,389
9 Casualty & Liability Costs	649	-	1,588	2,237
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	407	-	2,678	3,085
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>23,772</u>	<u>3,652</u>	<u>25,176</u>	<u>52,600</u>
Applied Reconciling Items				
15 Interest Expense				-
16 Leases & Rentals				-
17 Depreciation (privately funded assets only)				-
18 Amortization of Intangibles				-
19 Purchase Lease Agreement				-
20 Related Parties Lease Agreement				-
Other Reconciling Items				
21 Identify _____				-
22 Total Applied Reconciling Items				<u>-</u>
23 Total Operating Expenses				<u>52,600</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				25,512
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify _____				-
27 Total Non-Applied Reconciling Items				<u>25,512</u>
28 Total Operating Expenses per Audit				<u><u>\$ 78,112</u></u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: SHARED RIDE EXPENSES
SUBCATEGORY: RURAL

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
	<u>Vehicle Operation</u>	<u>Maintenance</u>	<u>General Admin</u>	<u>Totals</u>
Operating Expenses				
1 Operator's Salaries & Wages	\$ 299,733	\$ -	\$ -	\$ 299,733
2 Other Salaries & Wages	-	-	129,900	129,900
3 Fringe Benefits	69,818	-	50,110	119,928
4 Services	-	58,685	13,380	72,065
5 Fuel & Lubricants	118,894	-	-	118,894
6 Tires & Tubes	-	8,431	-	8,431
7 Other Materials & Supplies	-	11,398	9,587	20,985
8 Utilities	-	-	13,984	13,984
9 Casualty & Liability Costs	7,274	-	13,213	20,487
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	7,954	-	21,180	29,134
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>503,673</u>	<u>78,514</u>	<u>251,354</u>	<u>833,541</u>
Applied Reconciling Items				
15 Interest Expense				-
16 Leases & Rentals				-
17 Depreciation (privately funded assets only)				-
18 Amortization of Intangibles				-
19 Purchase Lease Agreement				-
20 Related Parties Lease Agreement				-
Other Reconciling Items				
21 Identify _____				-
22 Total Applied Reconciling Items				<u>-</u>
23 Total Operating Expenses				<u>833,541</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				257,726
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify <u>RVT/EMTA Tech Assistance</u>				<u>20,639</u>
27 Total Non-Applied Reconciling Items				<u>278,365</u>
28 Total Operating Expenses per Audit				<u>\$ 1,111,906</u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: NON-PUBLIC EXPENSES
SUBCATEGORY: OTHER TRANSPORTATION

Please identify programs included on this form

Hourly rate transportation and per mile transportation to human service agencies, housing authorities and other entities

	<u>Non-Shared-Ride Paratransit</u>	<u>MATP - Non- Shared-Ride Paratransit</u>	<u>MATP - Mileage Reimbursement</u>	<u>Other (Identify Above)</u>	<u>Totals</u>
Operating Expenses					
Operator's Salaries & Wages	\$ 16,348	\$ 18,436	\$ -	\$ -	\$ 34,784
Other Salaries & Wages	3,301	3,723	-	-	7,024
Fringe Benefits	6,321	7,128	-	-	13,449
Services	3,876	4,371	-	-	8,247
Fuel & Lubricants	6,498	7,327	-	-	13,825
Tires & Tubes	461	519	-	-	980
Other Materials & Supplies	665	750	-	-	1,415
Utilities	291	328	-	-	619
Casualty & Liability Costs	393	443	-	-	836
Taxes	-	-	-	-	-
Purchased Transportation	-	-	-	-	-
Miscellaneous Expenses	1,938	2,185	-	-	4,123
Expense Transfers	-	-	-	-	-
Mileage Reimbursement	-	-	-	-	-
MATP - Non-Public Service Admin Expense	-	-	-	-	-
Total System Expenses	40,092	45,210	-	-	85,302
Applied Reconciling Items					
15 Interest Expense					-
16 Leases & Rentals					-
17 Depreciation (privately funded assets only)					-
18 Amortization of Intangibles					-
19 Purchase Lease Agreement					-
20 Related Parties Lease Agreement					-
Other Reconciling Items					-
21 Identify _____					-
22 Total Applied Reconciling Items					-
23 Total Operating Expenses					<u>85,302</u>
Non-Applied Reconciling Items					
24 Depreciation (publicly funded assets only)					13,042
25 Other Post Employment Benefits (OPEB)					-
Other Reconciling Items					-
26 Identify _____					-
27 Total Non-Applied Reconciling Items					<u>13,042</u>
28 Total Operating Expenses per Audit					<u>\$ 98,344</u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: FIXED ROUTE REVENUE

	<i>A</i> <u>Urban</u>	<i>B</i> <u>Rural</u>	<i>C</i> <u>Total</u>
Transportation Revenues			
1 Passenger fares	\$ -	\$ 139,957	\$ 139,957
2 Advertising	-	180	180
3 Charter	-	-	-
4 Route Guarantees	-	-	-
Other (Revenue)			
5 Interest/Investment Income	-	-	-
6 Identify <u>Insurance Refunds</u>	-	16,118	16,118
7 Identify _____	-	-	-
8 Identify _____	-	-	-
9 Total Revenue	<u>-</u>	<u>156,255</u>	<u>156,255</u>
Non-Applied Reconciling Items			
10 Identify <u>Gain on Disposal of Assets</u>	-	9,612	9,612
11 Identify _____	-	-	-
12 Total Non-Applied Reconciling Items	<u>-</u>	<u>9,612</u>	<u>9,612</u>
13 Total Revenue per Audit	<u><u>\$ -</u></u>	<u><u>\$ 165,867</u></u>	<u><u>\$ 165,867</u></u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: NON-PUBLIC REVENUE
SUBCATEGORY: OTHER TRANSPORTATION

<i>A</i>	<i>B</i>
	<u>Total</u>
Transportation Revenues	
1 MATP - Contract Rate Paratransit Revenue	61,516
2 W2W - Contract Rate Paratransit Revenue	-
Other Contract Rate Paratransit Revenue	
3 Identify <u>Housing Auth & Misc</u>	43,695
4 Identify <u>Allegheny College</u>	7,500
5 Identify <u>Other agencies</u>	2,740
Other Revenue	
6 MATP - Mileage Reimbursement	-
7 W2W - Other (i.e. vehicle purchase/repair, fixed route fares)	-
8 Identify <u>Insurance Refunds</u>	239
Admin Reimbursement	
9 MATP - Contract Rate Paratransit Admin	-
10 MATP - Mileage Reimbursement Admin	-
11 W2W - Admin/Case Management	-
12 Interest/Investment Income	-
13 Total Revenue	<u>115,690</u>
Non-Applied Reconciling Items	
14 Identify _____	-
15 Identify _____	-
16 Total Non-Applied Reconciling Items	<u>-</u>
17 Total Revenue per Audit	<u><u>\$ 115,690</u></u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: FIXED ROUTE SUBSIDIES

	<i>A</i>	<i>B</i>	<i>C</i>
	<u>Urban</u>	<u>Rural</u>	<u>Total</u>
Subsidy			
1 Federal Operating Grant	\$ -	\$ 271,000	\$ 271,000
2 Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-
3 Federal Capital Grant to Fund Capital Costs of Contracting	-	-	-
4 Federal Capital Grant to Fund Associated Capital Maintenance Costs	-	-	-
Other Federal Grants for Operating Costs			
5 Identify _____	-	-	-
6 Subtotal Federal Subsidy	-	271,000	271,000
7 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	-	1,512	1,512
8 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	-	499,174	499,174
9 Act 3 ASG Grant Amount Charged - State Share	-	-	-
10 Act 3 BSG Grant Amount Charged - State Share	-	-	-
Special Operating Grants - State Share			
11 Identify <u>Welfare to Work Grant</u>	-	65,000	65,000
12 Subtotal State Subsidy	-	565,686	565,686
13 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share			
Municipal Sources	-	-	-
14 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share			
Municipal Sources	-	32,800	32,800
15 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share			
Advertising Sources	-	-	-
16 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share			
Advertising Sources	-	-	-
17 Act 3 ASG Grant Amount Charged - Local Share	-	-	-
18 Act 3 BSG Grant Amount Charged - Local Share	-	-	-
Special Operating Grants - Local Share			
19 Identify <u>HAP & HSDF</u>	-	5,497	5,497
20 Subtotal Local Subsidy	-	38,297	38,297
21 Grand Total Subsidy	-	874,983	874,983
Non-Applied Reconciling Items			
22 Identify Federal _____	-	-	-
23 Identify State _____	-	-	-
24 Identify Local _____	-	-	-
25 Total Non-Applied Reconciling Items	-	-	-
26 Grand Total Subsidy per Audit	<u>\$ -</u>	<u>\$ 874,983</u>	<u>\$ 874,983</u>

Crawford Area Transportation Authority
FY 2013-14 COA LEGACY BUDGET
CATEGORY: NON-FIXED ROUTE SUBSIDIES
SUBCATEGORY: RURAL

Subsidy	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
	ADA Paratransit	Shared Ride Standard	DAS*	Public Vanpool	Total
1 Federal Operating Grant	\$ -	\$ -	\$ -	\$ -	\$ -
2 Federal Capital Grant to Fund Preventive Maintenance Costs	-	-	-	-	-
3 Federal Capital Grant to Fund Capital Costs of Contracting	-	-	-	-	-
4 Federal Capital Grant to Fund Associated Capital Maintenance Costs Other Federal Grants for Operating Costs	-	-	-	-	-
5 Identify _____ Federal Shared-Ride Subsidy	-	-	-	-	-
6 Identify _____	-	-	-	-	-
7 Subtotal Federal Subsidy	-	-	-	-	-
8 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	-	-	-	-	-
9 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	43,057	21,490	-	-	64,547
10 Act 3 ASG Grant Amount Charged - State Share	-	-	-	-	-
11 Act 3 BSG Grant Amount Charged - State Share Special Operating Grants - State Share	-	-	-	-	-
12 Identify _____ State Shared Ride Subsidy	-	-	-	-	-
13 Identify _____	-	-	-	-	-
14 Subtotal State Subsidy	43,057	21,490	-	-	64,547
15 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - Local Share - Municipal Sources	-	-	-	-	-
16 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Municipal Sources	-	-	-	-	-
17 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Advertising Sources	-	-	-	-	-
18 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - Local Share - Private Sources	-	-	-	-	-
19 Act 3 ASG Grant Amount Charged - Local Share	-	-	-	-	-
20 Act 3 BSG Grant Amount Charged - Local Share Special Operating Grants - Local Share	-	-	-	-	-
21 Identify _____ Local Shared Ride Subsidy	-	-	-	-	-
22 Identify HAP _____	-	353	-	-	353
23 Subtotal Local Subsidy	-	353	-	-	353
24 Grand Total Subsidy	43,057	21,843	-	-	64,900
Non-Applied Reconciling Items					
25 Identify Federal _____	-	-	-	-	-
26 Identify State _____	-	-	-	-	-
27 Identify Local _____	-	-	-	-	-
28 Total Non-Applied Reconciling Items	-	-	-	-	-
29 Grand Total Subsidy per Audit	<u>\$ 43,057</u>	<u>\$ 21,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,900</u>

Crawford Area Transportation Authority
 FY 2013-14 COA LEGACY BUDGET
 CATEGORY: BUDGET SUMMARY

	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>	<i>H</i>	<i>I</i>	<i>J</i>	<i>K</i>	<i>L</i>
	Fixed Route		ADA Paratransit		Shared Ride		Shared Ride		Public Vanpool		Non-Public Transportation - Other	Total
	Urban	Rural	Urban	Rural	Standard Urban	DAS* Urban	Standard Rural	DAS* Rural	Urban	Rural		
1 Total Operating Expenses	\$ -	\$ 1,031,238	\$ -	\$ 52,600	\$ -	\$ -	\$ 833,541	\$ -	\$ -	\$ -	\$ 85,302	\$ 2,002,681
2 Total Revenue	-	156,255	-	9,543	-	-	794,352	-	-	-	115,690	1,075,840
3 Operating Deficit	-	(874,983)	-	(43,057)	-	-	(39,189)	-	-	-	30,388	(926,841)
4 Grand Total Subsidy	-	874,983	-	43,057	-	-	21,843	-	-	-	-	939,883
5 Applied Operating Result**	-	-	-	-	-	-	(17,346)	-	-	-	30,388	13,042
Non-Applied Reconciling Items												
6 Total Non-Applied Reconciling Expense Items	-	(313,356)	-	(25,512)	-	-	(278,365)	-	-	-	(13,042)	(630,275)
7 Total Non-Applied Reconciling Revenue Items	-	9,612	-	-	-	-	16,483	-	-	-	-	26,095
8 Total Non-Applied Reconciling Subsidy Items	-	-	-	-	-	-	-	-	-	-	-	-
9 Operating Result per Audit	<u>\$ -</u>	<u>\$ (303,744)</u>	<u>\$ -</u>	<u>\$ (25,512)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (279,228)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,346</u>	<u>\$ (591,138)</u>

Note: The surplus in the Non-Public Transportation column has been applied to offset a loss in the Shared Ride column for the fiscal year ended June 30, 2014 in the amount of \$17,346.

Crawford Area Transportation Authority
Local Match Provided (FY 2013-14)
June 30, 2014

List below all local cash contributions provided for the year ended June 30, 2014:

Act 44 Section 1513 Local Match for Operating Funds Received:
 (Including any PTAF Matching Funds - PAAC and SEPTA only)

<u>CONTRIBUTOR NAME</u>	<u>DATE OF FINAL PAYMENT</u>	<u>TOTAL AMOUNT PROVIDED</u>
Crawford County Commissioners	7/21/2014	\$ 32,800
SUBTOTAL		\$ 32,800
Unassigned Local Match Funding:		
<u>CONTRIBUTOR NAME</u>	<u>DATE OF FINAL PAYMENT</u>	<u>TOTAL AMOUNT PROVIDED</u>
City of Meadville	5/19/2014	\$ 9,580
West Mead Township	8/9/2013	\$ 200
SUBTOTAL		\$ 9,780
GRAND TOTAL		\$ 42,580

Crawford Area Transportation Authority
Local Match Carryover (FY 2013-14)
June 30, 2014

A	Local match available as of June 30, 2014	\$ 14,879
B	Local match funds provided during year ended June 30, 2014	42,580
C	Local match operating expenditures for year ended June 30, 2014:	
a	Act 44 Sec. 1513 local operating grant charged (prior years) - Municipal Source	-
b	Act 44 Sec. 1513 local operating grant charged (current year) - Municipal Source	32,800
c	Act 44 Sec. 1513 local operating grant charged (current year) - Advertising Source	-
d	Act 44 Sec. 1513 local operating grant charged (current year) - Private Source	-
e	Act 3 BSG local operating grant charged (previous years)	-
f	Act 3 ASG local operating grant charged (previous years - RURAL ONLY)	-
g	Other operating expenditures (if any) IDENTIFY MATCHED PROGRAM <input type="text"/>	-
D	Total local match operating expenditures for year ended June 30, 2014	32,800
E	Local match capital expenditures for year ended June 30, 2014:	
a	Section 1514-Discretionary local match capital expenditures (if any)	-
b	Section 1514-Bond local match capital expenditures (if any)	-
c	Section 1515-New Initiatives capital expenditures (if any)	-
d	Section 1516-Programs of Statewide Significance capital expenditures (if any)	-
e	PTAF local match capital expenditures (previous years' funds)	-
f	PTAF local match capital expenditures (current year funds)	-
g	Act 3 BSG Local capital grant charged (previous years)	-
h	Act 3 ASG Local capital grant charged (previous years)	-
i	Other local match capital expenditures (if any) IDENTIFY MATCHED PROGRAM <input type="text"/>	-
j	Other local match capital expenditures (if any) IDENTIFY MATCHED PROGRAM <input type="text"/>	-
F	Total local match capital expenditures for year ended June 30, 2014	-
G	Interest earned on local funds for year ended June 30, 2014	28
H	Local Match Funds Available as of June 30, 2014	\$ 24,687

Crawford Area Transportation Authority
Rural PTAF/BSG/ASG Carryover (FY 2013-14)
June 30, 2014

	Act 26		Act 3			
	PTAF	PTAF Required Local Match	BSG	BSG Required Local Match	ASG	ASG Required Local Match
Funds available from prior years	\$ 187	\$ 7	\$ 28,561	\$ 972	\$ 7,598	\$ 291
Interest Income earned in FY 2013-14	-	-	32	1	9	-
Total funds available in FY 2013-14	187	7	28,593	973	7,607	291
Funds used for operating in FY 2013-14	-	-	-	-	-	-
Funds used for capital in FY 2013-14	-	-	-	-	-	-
Funds available for FY 2014-15	\$ 187	\$ 7	\$ 28,593	\$ 973	\$ 7,607	\$ 291

Crawford Area Transportation Authority
Rural Section 1513 Program Carryover (FY 2013-14)
June 30, 2014

	SECTION 1513 STATE GRANT	SECTION 1513 REQUIRED LOCAL MATCH
1 Section 1513 funds available from prior years	\$ 125,148	\$ -
2 Section 1513 funds received for FY 2013-14	661,342	32,800
3 Interest income earned on Section 1513 funds in FY 2013-14	501	-
4 Total Section 1513 funds available in FY 2013-14	786,991	32,800
5 Section 1513 funds used for Rural fixed route operating expenses in FY 2013-14	500,686	32,800
6 Section 1513 funds used for Rural non-fixed route operating expenses in FY 2013-14	64,547	-
7 Total Section 1513 used in FY 2013-14	565,233	32,800
8 Section 1513 funds available for FY 2014-15	\$ 221,758	\$ -

Crawford Area Transportation Authority
Shared Ride Expense Allocation Worksheet
June 30, 2014

	% Allocated to Fixed Route	% Allocated to Paratransit (ADA)	% Allocated to Shared-Ride	% Allocated to Non-Public	Basis for Allocation
Operators Salaries and Wages	42.49%	2.30%	49.47%	5.74%	Actual expenses
Other Salaries and Wages	53.84%	4.52%	39.63%	2.01%	Actual expenses
Fringe Benefits	47.95%	2.40%	44.64%	5.01%	Actual expenses
Services	45.00%	3.00%	47.00%	5.00%	Actual expenses
Fuel and Lubricants	56.13%	1.75%	37.73%	4.39%	Shared ride expenses were allocated between Shared and Contract services based on mileage. Fixed route expenses were allocated based on mileage.
Tires and Tubes	0.00%	4.00%	86.00%	10.00%	Actual expenses
Other Materials and Supplies	43.47%	2.74%	50.39%	3.40%	Actual expenses
Utilities	61.02%	3.39%	34.08%	1.51%	Actual expenses
Casualty and Liability Costs	66.80%	3.15%	28.87%	1.18%	Liability insurance based upon the value of the fleet; the remaining costs were allocated on the basis of person hours.
Taxes	0.00%	0.00%	0.00%	0.00%	Actual expenses
Purchased Transportation	69.11%	1.24%	26.56%	3.09%	Actual expenses
Miscellaneous	48.33%	4.40%	41.49%	5.78%	Actual expenses were based on person hours and the remaining expenses were allocated on the basis of administrative hours.



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**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***

To the Board of Directors
Crawford Area Transportation Authority
Meadville, Pennsylvania

We have audited, 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, the financial statements of Crawford Area Transportation Authority as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Crawford Area Transportation Authority's basic financial statements and have issued our report thereon dated December 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crawford Area Transportation Authority's internal control over financial reporting (internal control) to determine the 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 Crawford Area Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Crawford Area Transportation Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2014-1, 2014-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crawford Area Transportation Authority'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 determination of financial statement amounts. 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*.

Crawford Area Transportation Authority's Response to Findings

The Crawford Area Transportation Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Crawford Area Transportation Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

McGill, Power, Bell & Associates, LLP

McGill, Power, Bell & Associates, LLP

Meadville, Pennsylvania

December 22, 2014

Crawford Area Transportation Authority

Schedule of Findings and Responses

Year Ended June 30, 2014

Findings and Responses

2014-1 Lack of segregation of accounting duties.

Condition: The Crawford Area Transportation Authority has a lack of segregation of duties in the accounting department.

Criteria: Internal controls should be in place so that the same person does not have the ability to authorize and record transactions as well as have custody over assets.

Cause: The Crawford Area Transportation Authority does not have enough employees in the accounting department to properly segregate all accounting duties.

Effect: The lack of segregation of duties could lead to misstatements in the account balances and financial statements either through error or fraud.

Recommendation: Internal controls should be implemented so that the authorization and recording of transactions and the custody of assets are done by separate individuals, including board members.

Response: Management believes that, due to the size of the Crawford Area Transportation Authority, it would not be cost-beneficial to hire additional personnel at this time.

2014-2 Inadequate internal control over the preparation of financial statements.

Condition: In the normal course of business, the Crawford Area Transportation Authority does not prepare internally generated financial statements in accordance with the generally accepted accounting principles and consequently does not have a process, including internal controls, in place in order to prepare complete financial statements.

Criteria: Under current professional standards, the Crawford Area Transportation Authority is responsible for the internal control process which includes the preparation of year-end financial statements in accordance with generally accepted accounting principles.

Cause: The Crawford Area Transportation Authority currently does not have the personnel in place to prepare the financial statements and related disclosures in conformity with professional standards.

Crawford Area Transportation Authority

Schedule of Findings and Responses

Year Ended June 30, 2014

Effect: The Crawford Area Transportation Authority does not prepare internally generated financial statements in accordance with generally accepted accounting principles.

Recommendation: The Crawford Area Transportation Authority should hire an individual or firm to prepare the financial statements in conformity with generally accepted accounting principles.

Response: Management of Crawford Area Transportation Authority believes that the most economically feasible way to produce financial statements in accordance with the generally accepted accounting principles is to employ McGill, Power, Bell & Associates, LLP to prepare the financial statements to conform to professional standards.