



FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015



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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, as of and for the year ended June 30, 2015, 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, 2015, 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, consolidated summaries, and schedules on pages 41-46 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, consolidated summaries, and schedules on pages 41-46 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 January 25, 2016, 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

January 25, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crawford Area Transportation Authority
Management's Discussion and Analysis (MD&A)
June 30, 2015**

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, 2015.

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 9 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 – FY1415 CATA has increased our paid staff from 13 to 43, doubled our vehicle fleet from 16 to 35 and increased ridership by over 21%.

Overview of CATA 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, Planning Manager, 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 Planning Manager is responsible for all PennDOT correspondence including DOT Grant quarterly reports, the Act 44 Action Plan, Operating and Capital invoicing. The Planning Manager also assists with data analysis projects, oversight within the shared ride software database and other functions supporting the short and long term planning needs of CATA. 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.

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 FY1415 were \$40.00 per hour drive time, \$20.00 per hour wait time and/or \$3.10 per mile.

Highlights from FY1415

Federal Transit Administration – Administrators Award

There are over 1,600 rural public transportation providers in the nation. The Federal Agency that oversees Federal funding and compliance of transit programs is the Federal Transit Administration (FTA). Each year the FTA recognizes 5 rural systems from across the nation for excellence in the delivery of public transportation services. In September 2014, CATA was selected as one of five recipients in the nation for the FTA Administrators Award for Outstanding Public Service. This award focused on rural systems that have established “Ladders of Opportunity” within their communities to build transit ridership. CATA Board Chairman and Executive Director attended the Rural and Intercity Bus Conference in October, 2014 to receive the award.

Land Acquisition for Future Storage/ Wash and Maintenance Facility

In December 2014, CATA completed the acquisition of land in Vernon Township for the design and construction of a Storage/Wash and Maintenance facility. The acquisition of land was completed for \$350,000 of State and local funding. This project is being administered by PennDOT and progressed through the beginning of design and engineering services during FY1415. PennDOT has secured the services of HDR, Inc. for the design/engineering and Gannett Fleming for the Construction Management.

Partnerships with Neighboring Counties

CATA continues to build strong partnerships with our neighboring counties that have resulted in more efficient transportation for residents and lower maintenance costs. Specifically, CATA has begun a major maintenance contract with the Erie Metropolitan Transportation Authority (“Erie Metro”) in Erie to assist CATA with maintenance services for our Gillig fixed route fleet. Erie Metro maintains state of the art facilities and transit specific vehicle diagnostic software to assist with faster, less costly and better quality major maintenance services than purchasing transit specific maintenance from regional garages. Erie Metro has also provided, free of charge to CATA, 3 body on chassis paratransit buses that have met useful life in years and miles. These are well maintained vehicles that CATA has been able to integrate into operations to help sustain fixed route and shared ride service. CATA continues to take a leadership role in the Northwest Transit Regionalization study funded by PennDOT. This initiative that began in 2013 progressed to Phase 2 during FY1415 to assess operational strategies for the Counties of Clarion, Crawford, Forest, Venango and Warren to implement should a regionalization of transit systems occur.

New Vehicle Acquisition

As part of the FY1415 Capital application submitted to the State, PennDOT awarded CATA \$138,000 for the purchase of 3 accessible mini-vans. These vehicles were delivered in May 2015 and have been integrated into the shared ride program.

Expansion of the Shared Ride Program

CATA continued to see unprecedented growth in the shared ride program during FY1415. Ridership grew in total by 13% with paid driver hours growing 29% to 36,498 and vehicle miles growing 38% to 440,984 vehicle miles. Ridership growth is highlighted by the following:

Category	Fiscal year change from FY1314
Senior Citizen Age 65+	14%
Persons with Disabilities (PwD)	23%
ADA Paratransit	-11%
MATP (Shared Ride)	1%
MATP (Non Public)	253%
Hourly Contract service	34%

This growth is highlighted by CATA’s ability to expand and grow our partnership base with area senior facilities and human service agencies. CATA has seen increases in ridership from area nursing homes including Juniper Village, Golden Living and Wesbury, among others. CATA has been successful in integrating the senior transit applications and general shared ride information into the client intake procedures at area nursing homes to help acclimate new seniors to CATA services.

Fixed Route Fare Increase

In 2014, CATA underwent an Act 44 Peer Performance Review. This review was the result of PA Legislation governing funding for public transportation. One area of review was the passenger fares in relation to historical trends and cost recovery. In response to the Act 44 Peer Review area focusing on ensuring that passenger fares keep pace with inflation, the Board of Directors approved a fare increase effective October 1, 2014. This was the first fare increase since 2005 for the fixed route program. The base fare was increased from \$1.00 to \$1.25, Youth fares rose from \$.50 to \$.75, seniors age 65 and older and children under age 5 still ride for free. As part of the fixed route fare increase the Board of Directors also established a Fixed Route Fare Analysis tool to be used each year during the budget season to maintain compliance with Act 44 Regulations and ensure that passenger fares remain consistent with inflation.

Changes within the Medical Assistance Transportation Program (MATP)

In October 2014, the Department of Public Welfare instituted new guidelines for the reimbursement of transportation provided under the Medical Assistance Transportation Program (MATP). Of note, the Department changed its name to the Department of Human Services (DHS). As of October 1, 2014 DHS now reimburses recipients for direct client mileage reimbursement, payment of fixed route and shared ride fares and payment of “live mile” transportation for medical trips that are outside the normal shared ride structure. A live mile is defined as a mile in which a service recipient is on the vehicle. Live miles do not include drive time to and from a service recipients home or allow for driver wait time.

CATA currently holds a contract with Community Health Services (the designated MATP provider for Crawford County) to provide MATP trips as a subcontractor. Live mile transportation has become a large part of CATA’s service operating under the umbrella of the Shared Ride division. Upon request, CATA provides live mile trips to destinations including Erie and the Cranberry area of Venango County for MATP approved trips. Since CATA does not have regular public services to these locations, the trips are tracked and billed under a live mile formula ranging from \$2.15 to \$4.30 per live mile. One final change implemented on October 1, 2014 was that MATP senior citizens are now eligible for PA Lottery reimbursement per trip which results in additional PA Lottery funds and less MATP funds for transportation of

MATP eligible seniors. In FY1415, CATA provided a total of 3,092 live mile trips and 1,880 trips for MATP eligible senior citizens under the PA Lottery program.

Staffing Additions

Due to the increased level of reporting and compliance requirements instituted by PennDOT, the Board of Directors assessed the ability to create an administrative position to assist the Executive Director with PennDOT reporting and compliance. The result was the creation of the Planning Manager effective January 1, 2015. The position was approved through the FY1415 budget but implementation was delayed until January 1, 2015 to lessen the administrative cost needed in the first year of the position. With the position starting half way through the fiscal year, the costs associated with the Planning Manager were easier to absorb within the operating budget. The Planning Manager has assumed many tasks including the oversight of the Act 44 Peer Review Action Plan, monthly submission of Lottery and PwD invoicing to PennDOT, creation and submission of quarterly PennDOT grant reports (Consolidated Operating Application submissions). The Planning Manager has also begun drafting new and revised policies and procedures to ensure continued compliance with PennDOT and FTA regulations including an ADA Policy manual and Administrative Policy manuals.

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, 2015 identifies 14 rural transit authorities in the Commonwealth. The approximated average expense per fixed route passenger amongst the rural transit authorities is \$10.07. CATA reported an approximate operating expense per passenger for FY1415 at \$4.60. 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 \$22.93. CATA reported an approximate operating expense per passenger for FY1415 at \$17.75.

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 \$725,190 of State Act 89 funding and \$613,239 of PA Lottery funding for the fiscal year 2014-15.

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 \$235,122 of Federal 5311 operating assistance for the fixed route program in FY1415. The FY1415 year proved to be a challenge for our fixed route vehicles. Our maintenance expenses to maintain the fixed route service totaled \$199,168. CATA currently maintains an operating reserve of Act 89/ Act 44 Section 1513 funding in the amount of \$224,764 as of June 30, 2015.

The shared ride program is financially supported through fare reimbursement via the PA Lottery. In FY1415 CATA received \$613,239 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 however, thanks in part to continued growth of service and building stronger partnerships with area human service agencies, CATA was able to achieve full cost recovery within the shared ride program and build an operating reserve of \$14,374 through the non-public contracting program, a division of the shared ride 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 FY1415 was \$37,471. 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 shared ride services in FY1415 was \$71,341. 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 \$72,555 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 \$160,476 of reimbursement from CHS 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.

Financial Highlights

Total operating revenues were \$1,297,107 for the year ended June 30, 2015.

Total operating subsidies utilized were \$965,842 for the year ended June 30, 2015.

Total local contributions utilized were \$34,440 for the year ended June 30, 2015.

Total operating expenses less depreciation were \$2,294,129 for the year ended June 30, 2015.

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 exceeded liabilities by \$4,431,264 as of June 30, 2015.

Statements of Net Position June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Current assets	\$ 740,169	\$ 552,040
Capital assets, net	<u>4,364,912</u>	<u>4,421,536</u>
Total Assets	<u>5,105,081</u>	<u>4,973,576</u>
Current liabilities	334,433	176,823
Long-term liabilities	<u>339,384</u>	<u>323,239</u>
Total Liabilities	<u>673,817</u>	<u>500,062</u>
Invested in capital assets	4,364,912	4,421,536
Restricted net position	38,913	38,913
Unrestricted net position	<u>27,439</u>	<u>13,065</u>
Total Net Position	<u>\$ 4,431,264</u>	<u>\$ 4,473,514</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:

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.

Statements of Revenues, Expenses and Changes in Net Position For the Fiscal Years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Passenger fares and government programs	\$ 892,783	\$ 819,191
Contract revenues	404,106	298,242
Other operating revenues	218	23,407
Total Operating Revenues	<u>\$ 1,297,107</u>	<u>\$ 1,140,840</u>
Operating Expenses:		
Wages and benefits	1,433,636	1,204,384
Fuel, tires and other materials	335,383	366,570
Depreciation	552,919	609,636
Other operating expenses	525,110	431,727
Total Operating Expenses	<u>2,847,048</u>	<u>2,612,317</u>
Nonoperating Revenues and Expenses:		
Capital funds used for operating assistance	11,114	-
Commonwealth of Pennsylvania planning grant	-	15,829
Commonwealth of Pennsylvania operating grant	722,870	565,233
Federal government	235,122	271,000
Local governments	42,290	38,650
Gain on disposal of capital assets	5,755	10,266
Planning grant expenses	-	(20,639)
Total Nonoperating Revenues and Expenses	<u>1,017,151</u>	<u>880,339</u>
Capital Grant Funding	<u>490,540</u>	<u>-</u>
Decrease in Net Position	<u>\$ (42,250)</u>	<u>\$ (591,138)</u>

Non-Financial Statistical Information

	Ridership	
	FY13-14	FY14-15
Fixed Route Program		
Senior Citizens (Age 65+)	36,171	36,488
Full Fare	113,151	119,675
Third Party Sponsor	33,736	33,431
Age 6-17 (half fare)	10,591	8,375
Under Age 5 (free)	11,173	12,497
Transfers (free)	25,933	29,871
	230,755	240,337

	Ridership	
	FY13-14	FY14-15
Shared Ride Program		
Senior Citizens (Age 65+)	33,776	38,503
Persons with Disabilities	3,675	4,509
ADA Paratransit	4,917	4,398
Medical Assistance	4,448	7,774
Non-Lottery Funded	1,253	980
Hourly/per mile Contract	8,366	10,290
	56,435	66,454

	Total Vehicle Miles	
	FY13-14	FY14-15
Fixed Route Program	241,661	239,466
Shared Ride Program	328,495	440,984
	570,156	680,450

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, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents (including restricted grant funds of \$277,929)	\$	522,778
Accounts receivable		69,337
Grants receivable		118,608
Prepaid insurance		29,446

TOTAL CURRENT ASSETS 740,169

CAPITAL ASSETS, NET

4,364,912

\$ 5,105,081

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$	233,640
Accrued expenses		96,442
Grants refundable		4,351

TOTAL CURRENT LIABILITIES 334,433

UNEARNED REVENUE

Act 26 grant		187
Act 3 grant - ASG and BSG		31,621
Act 4 grant		21,357
Act 44 grant		224,764
Local match		38,911
Proceeds from prior year vehicle sales		11,414
Insurance proceeds		11,130

339,384

TOTAL LIABILITIES 673,817

NET POSITION

Invested in capital assets		4,364,912
Restricted (Note I)		38,913
Unrestricted		27,439

TOTAL NET POSITION 4,431,264

\$ 5,105,081

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2015

	Fixed Route	Rural ADA	Shared Ride	Non Public	Total
OPERATING REVENUES					
Passenger Fares	\$ 127,311	\$ 8,809	\$ 74,723	\$ -	\$ 210,843
Charter	1,829	-	-	-	1,829
State Medical Assistance Transportation Program	-	-	80,561	-	80,561
State Shared Ride Program	-	-	613,239	-	613,239
State Persons with Disabilities Program	-	-	66,872	-	66,872
Area Agency on Aging	-	-	37,471	-	37,471
Other Contract Revenue	36,363	895	25,060	223,756	286,074
Advertising	180	-	-	-	180
Miscellaneous Income	38	-	-	-	38
	<u>165,721</u>	<u>9,704</u>	<u>897,926</u>	<u>223,756</u>	<u>1,297,107</u>
OPERATING EXPENSES					
Salaries & Wages	501,242	60,430	495,179	50,729	1,107,580
Fringe Benefits	115,691	6,469	171,502	32,394	326,056
Services	189,578	3,478	93,683	18,408	305,147
Fuel & Lubricants	137,774	3,849	103,936	20,531	266,090
Tires & Tubes	849	430	11,616	2,294	15,189
Other Materials & Supplies	22,861	1,001	26,842	3,400	54,104
Utilities	31,269	1,809	18,503	1,039	52,620
Casualty & Liability Costs	39,907	2,443	29,566	3,500	75,416
Miscellaneous	34,228	2,350	44,988	10,361	91,927
Depreciation	218,727	24,020	295,798	14,374	552,919
	<u>1,292,126</u>	<u>106,279</u>	<u>1,291,613</u>	<u>157,030</u>	<u>2,847,048</u>
GAIN (LOSS) FROM OPERATIONS	(1,126,405)	(96,575)	(393,687)	66,726	(1,549,941)
NONOPERATING REVENUE/(EXPENSES)					
Capital Funds Used for Operating Assistance and Planning Grants:					
Federal government	11,114	-	-	-	11,114
Operating Grants:					
Federal government	235,122	-	-	-	235,122
Commonwealth of Pennsylvania Act 44 Funds	619,152	72,555	31,163	-	722,870
Local governments Act 44 Matching Funds	34,440	-	-	-	34,440
Other Commonwealth and Local Operating Funds	7,850	-	-	-	7,850
	<u>896,564</u>	<u>72,555</u>	<u>31,163</u>	<u>-</u>	<u>1,000,282</u>
Total Government Subsidies for Operations	896,564	72,555	31,163	-	1,000,282
Gain on Disposal of Capital Assets	2,878	-	2,877	-	5,755
Interfund Transfer of Non Public Surplus to Offset Loss in Shared Ride	-	-	66,726	(66,726)	-
	<u>910,556</u>	<u>72,555</u>	<u>100,766</u>	<u>(66,726)</u>	<u>1,017,151</u>
TOTAL NONOPERATING REVENUE/(EXPENSES)	<u>910,556</u>	<u>72,555</u>	<u>100,766</u>	<u>(66,726)</u>	<u>1,017,151</u>
LOSS BEFORE CAPITAL GRANT FUNDING	(215,849)	(24,020)	(292,921)	-	(532,790)
CAPITAL GRANT FUNDING					
Federal	-	-	108,611	-	108,611
State	343,331	-	27,151	-	370,482
Local	11,447	-	-	-	11,447
	<u>354,778</u>	<u>-</u>	<u>135,762</u>	<u>-</u>	<u>490,540</u>
CHANGE IN NET POSITION	138,929	(24,020)	(157,159)	-	(42,250)
NET POSITION, BEGINNING OF YEAR	<u>2,563,405</u>	<u>189,700</u>	<u>1,720,409</u>	<u>-</u>	<u>4,473,514</u>
NET POSITION, END OF YEAR	<u>\$ 2,702,334</u>	<u>\$ 165,680</u>	<u>\$ 1,563,250</u>	<u>\$ -</u>	<u>\$ 4,431,264</u>

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Cash Flows
Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from services provided	\$ 1,309,900
Payments to suppliers for goods and services	(829,733)
Payments to employees for services	(1,107,580)
Payments for employee benefits and taxes	<u>(326,056)</u>
NET CASH USED BY OPERATING ACTIVITIES	(953,469)
CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	
Receipts from operating grants	1,012,958
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Receipts from capital grants	541,216
Acquisition of capital assets	(360,534)
Insurance proceeds	<u>11,130</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>191,812</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	251,301
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>271,477</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 522,778</u></u>

See notes to the financial statements.

Crawford Area Transportation Authority
Statement of Cash Flows (Continued)
Year Ended June 30, 2015

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

Operating Loss	\$ (1,549,941)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	552,919
Decrease in accounts receivable	14,698
Increase in prepaid expenses	(2,202)
Increase in accounts payable	24,963
Increase in accrued expenses	7,999
Decrease in unearned revenue - contract service	<u>(1,905)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (953,469)</u></u>

NON-CASH INVESTING AND FINANCING ACTIVITIES

Fixed asset purchases in accounts payable at year end	<u><u>\$ 135,762</u></u>
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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 Paratransit 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.

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.

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.

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.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2015.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 though January 25, 2016, the date the financial statements were available to be issued.

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, 2015, the carrying amount of the Authority's deposits was \$522,678 with the corresponding bank balance of \$527,327. Of the bank balance at June 30, 2015, \$250,000 was covered by federal depository insurance and \$277,327 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, 2015 was \$277,929.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Disposals	Balance 6/30/15
Land	\$ 420,824	\$ -	\$ -	\$ 420,824
Facility	2,822,980	-	-	2,822,980
Transportation equipment	3,502,350	135,762	-	3,638,112
Office furniture and equipment	273,271	5,755	-	279,026
Other support vehicles	78,645	-	-	78,645
Construction in progress	-	354,778	-	354,778
	<u>7,098,070</u>	<u>496,295</u>	<u>-</u>	<u>7,594,365</u>
Less: Accumulated depreciation	<u>(2,676,534)</u>	<u>(552,919)</u>	<u>-</u>	<u>(3,229,453)</u>
Net capital assets	<u>\$ 4,421,536</u>	<u>\$ (56,624)</u>	<u>\$ -</u>	<u>\$ 4,364,912</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, 2015 is \$44,859. This amount is included in the statement of net position in accrued expenses.

NOTE F - GRANTS REFUNDABLE

Grants refundable consists of monies received by the Authority but not spent as of June 30, 2015. These funds are due back to the funding source upon their request.

A summary of grants refundable at June 30, 2015 is as follows:

Other Shared Ride Grants	<u>\$ 4,351</u>
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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, 2015 was 3.175%. The line of credit had no outstanding balance at June 30, 2015.

Crawford Area Transportation Authority

Notes to the Financial Statements

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.

For the year ended June 30, 2015, 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, 2014	\$ 187	\$ 28,593	\$ 7,607	\$ 21,333
Interest earned	-	32	8	24
Total available	187	28,625	7,615	21,357
Funds expended	-	-	(4,619)	-
Balance, June 30, 2015	<u>\$ 187</u>	<u>\$ 28,625</u>	<u>\$ 2,996</u>	<u>\$ 21,357</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, 2015, \$15,586 is from the County of Crawford and \$23,325 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.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE H - UNEARNED REVENUE (CONTINUED)

For the year ended June 30, 2015, the following transactions occurred relative to the Act 44 funding, local match, and proceeds from sales of capital assets:

	<u>Act 44</u>	<u>Local Match</u>	<u>Capital Asset Sales</u>
Balance, July 1, 2014	\$ 221,758	\$ 24,687	\$ 17,169
Funds received	725,190	60,067	-
Interest earned	686	44	-
	<hr/>	<hr/>	<hr/>
Total available	947,634	84,798	17,169
Funds expended	(722,870)	(45,887)	(5,755)
	<hr/>	<hr/>	<hr/>
Balance, June 30, 2015	<u>\$ 224,764</u>	<u>\$ 38,911</u>	<u>\$ 11,414</u>

NOTE I - NET POSITION

Restricted net position in the amount of \$38,913 (fixed route - \$3,961 and shared ride - \$34,952) at June 30, 2015 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

On December 1, 2012, the Authority entered into an operating lease for the Titusville office facilities and parking lot. The lease terms were from January 1, 2013 to December 31, 2015 with monthly payments of \$455. During the year ended June 30, 2015, the lease was amended to include additional office space. The new lease terms are from September 1, 2014 to August 31, 2015 with monthly payments of \$853.

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, 2015 was \$6,749.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE K - OPERATING LEASE (CONTINUED)

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

<u>Year ended June 30,</u>	
2016	\$ 1,705

NOTE L - EMPLOYEE BENEFIT PLAN

The Authority maintains a 457 retirement plan for all employees who have successfully completed the Authority's probationary period. 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, 2015 were \$28,809. 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.

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 \$69,579 for the year ended June 30, 2015.

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 \$50,172 for the year ended June 30, 2015.

Crawford Area Transportation Authority

Notes to the Financial Statements

NOTE M - RISK MANAGEMENT (CONTINUED)

For the year ended June 30, 2015, 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, 2015, 2014, and 2013.

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, 2015. The allocation of general administration expenses for the fiscal year ended June 30, 2015 was: Fixed Route 35%, Shared Ride 53%, Rural ADA 2% and Non public 10% .

REQUIRED REPORTS AND SCHEDULES

Crawford Area Transportation Authority
FY 2014-15 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	\$ 272,913	\$ -	\$ -	\$ 272,913
2 Other Salaries & Wages	-	-	228,329	228,329
3 Fringe Benefits	84,076	-	31,615	115,691
4 Services	-	182,343	7,235	189,578
5 Fuel & Lubricants	137,774	-	-	137,774
6 Tires & Tubes	-	849	-	849
7 Other Materials & Supplies	-	15,976	6,885	22,861
8 Utilities	-	-	31,269	31,269
9 Casualty & Liability Costs	10,562	-	29,345	39,907
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	9,687	-	24,541	34,228
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>515,012</u>	<u>199,168</u>	<u>359,219</u>	<u>1,073,399</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>1,073,399</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				218,727
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify _____				-
27 Total Non-Applied Reconciling Items				<u>218,727</u>
28 Total Operating Expenses per Audit				<u><u>\$ 1,292,126</u></u>

Crawford Area Transportation Authority
FY 2014-15 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	\$ 44,376	\$ -	\$ -	\$ 44,376
2 Other Salaries & Wages	-	-	16,054	16,054
3 Fringe Benefits	4,750	-	1,719	6,469
4 Services	-	3,064	414	3,478
5 Fuel & Lubricants	3,849	-	-	3,849
6 Tires & Tubes	-	430	-	430
7 Other Materials & Supplies	-	608	393	1,001
8 Utilities	-	-	1,809	1,809
9 Casualty & Liability Costs	603	-	1,840	2,443
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	341	-	2,009	2,350
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>53,919</u>	<u>4,102</u>	<u>24,238</u>	<u>82,259</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>82,259</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				24,020
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify _____				-
27 Total Non-Applied Reconciling Items				<u>24,020</u>
28 Total Operating Expenses per Audit				<u><u>\$ 106,279</u></u>

Crawford Area Transportation Authority
FY 2014-15 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	\$ 332,114	\$ -	\$ -	\$ 332,114
2 Other Salaries & Wages	-	-	163,065	163,065
3 Fringe Benefits	125,896	-	45,606	171,502
4 Services	-	82,726	10,957	93,683
5 Fuel & Lubricants	103,936	-	-	103,936
6 Tires & Tubes	-	11,616	-	11,616
7 Other Materials & Supplies	-	16,416	10,426	26,842
8 Utilities	-	-	18,503	18,503
9 Casualty & Liability Costs	15,994	-	13,572	29,566
10 Taxes	-	-	-	-
11 Purchased Transportation	-	-	-	-
12 Miscellaneous Expenses	9,130	-	35,858	44,988
13 Expense Transfers	-	-	-	-
14 Total System Expenses	<u>587,070</u>	<u>110,758</u>	<u>297,987</u>	<u>995,815</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>995,815</u>
Non-Applied Reconciling Items				
24 Depreciation (publicly funded assets only)				295,798
25 Other Post Employment Benefits (OPEB)				-
Other Reconciling Items				
26 Identify <u>RVT/EMTA Tech Assistance</u>				<u>-</u>
27 Total Non-Applied Reconciling Items				<u>295,798</u>
28 Total Operating Expenses per Audit				<u>\$ 1,291,613</u>

Crawford Area Transportation Authority
FY 2014-15 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					
1 Operator's Salaries & Wages	\$ 20,471	\$ 23,084	\$ -	\$ -	\$ 43,555
2 Other Salaries & Wages	3,372	3,802	-	-	7,174
3 Fringe Benefits	15,225	17,168	-	-	32,394
4 Services	8,652	9,756	-	-	18,408
5 Fuel & Lubricants	9,650	10,881	-	-	20,531
6 Tires & Tubes	1,078	1,216	-	-	2,294
7 Other Materials & Supplies	1,598	1,803	-	-	3,400
8 Utilities	488	551	-	-	1,039
9 Casualty & Liability Costs	1,645	1,855	-	-	3,500
10 Taxes	-	-	-	-	-
11 Purchased Transportation	-	-	-	-	-
12 Miscellaneous Expenses	4,870	5,491	-	-	10,361
13 Total System Expenses	<u>67,049</u>	<u>75,607</u>	<u>-</u>	<u>-</u>	<u>142,656</u>
Applied Reconciling Items					
14 Interest Expense					-
15 Leases & Rentals					-
16 Depreciation (privately funded assets only)					-
17 Amortization of Intangibles					-
18 Purchase Lease Agreement					-
19 Related Parties Lease Agreement					-
Other Reconciling Items					-
20 Identify _____					-
21 Total Applied Reconciling Items					<u>-</u>
22 Total Operating Expenses					<u>142,656</u>
Non-Applied Reconciling Items					
23 Depreciation (publicly funded assets only)					14,374
24 Other Post Employment Benefits (OPEB)					-
Other Reconciling Items					-
25 Identify _____					<u>-</u>
26 Total Non-Applied Reconciling Items					<u>14,374</u>
27 Total Operating Expenses per Audit					<u><u>\$ 157,030</u></u>

Crawford Area Transportation Authority
FY 2014-15 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	\$ -	\$ 163,674	\$ 163,674
2 Advertising	-	180	180
3 Charter	-	1,829	1,829
4 Route Guarantees	-	-	-
Other (Revenue)			
5 Interest/Investment Income	-	-	-
6 Identify <u>credit card statement reward credit</u>	-	38	38
7 Identify _____	-	-	-
8 Identify _____	-	-	-
9 Total Revenue	<u>-</u>	<u>165,721</u>	<u>165,721</u>
Non-Applied Reconciling Items			
10 Identify <u>Gain on Disposal of Assets</u>	-	2,878	2,878
11 Identify _____	-	-	-
12 Total Non-Applied Reconciling Items	<u>-</u>	<u>2,878</u>	<u>2,878</u>
13 Total Revenue per Audit	<u><u>\$ -</u></u>	<u><u>\$ 168,599</u></u>	<u><u>\$ 168,599</u></u>

Crawford Area Transportation Authority
FY 2014-15 COA LEGACY BUDGET
CATEGORY: NON-FIXED ROUTE REVENUE
SUBCATEGORY: RURAL

	<i>A</i> ADA Paratransit	<i>B</i> Shared Ride 65+ Standard	<i>C</i> DAS*	<i>D</i> Shared Ride Under 65 Standard	<i>E</i> DAS*	<i>F</i> Public Vanpool	<i>G</i> Total
Transportation Revenues							
1 Passenger fares	\$ 8,809	\$ 62,953	\$ -	\$ -	\$ -	\$ -	\$ 71,762
2 Advertising	-	-	-	-	-	-	-
3 Shared-Ride Lottery Trip Reimbursement	-	613,239	-	-	-	-	613,239
4 PwD Trip Reimbursement	-	-	-	66,872	-	-	66,872
5 Pwd Passenger fares	-	-	-	11,770	-	-	11,770
6 AAA	-	31,082	-	6,389	-	-	37,471
7 MH/MR - Shared Ride Fare Structure	-	-	-	-	-	-	-
8 W2W - Shared Ride Fare Structure	-	-	-	-	-	-	-
9 MATP - Shared-Ride Fare Structure	-	-	-	80,561	-	-	80,561
Other Agencies/Third Party Sponsors							
10 Identify <u>Other Agencies</u>	895	21,100	-	3,960	-	-	25,955
11 Identify _____	-	-	-	-	-	-	-
Other Revenue							
MATP							
12 Admin Reimbursement for MATP Shared Ride Fare Structure	-	-	-	-	-	-	-
Other (i.e. block grant) identify							
13 Identify _____	-	-	-	-	-	-	-
14 Identify _____	-	-	-	-	-	-	-
15 Identify _____	-	-	-	-	-	-	-
16 Interest/Investment Income	-	-	-	-	-	-	-
17 Total Revenue	9,704	728,374	-	169,552	-	-	907,630
Non-Applied Reconciling Items							
18 Identify <u>Gain on Disposal of Assets</u>	-	2,877	-	-	-	-	2,877
19 Identify _____	-	-	-	-	-	-	-
20 Total Non-Applied Reconciling Items	-	2,877	-	-	-	-	2,877
21 Total Revenue per Audit	<u>\$ 9,704</u>	<u>\$ 731,251</u>	<u>\$ -</u>	<u>\$ 169,552</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,507</u>

Crawford Area Transportation Authority
FY 2014-15 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	\$ 160,477
2 W2W - Contract Rate Paratransit Revenue	-
Other Contract Rate Paratransit Revenue	
3 Identify <u>Housing Auth & Misc</u>	42,103
4 Identify <u>Allegheny College</u>	14,491
5 Identify <u>Other agencies</u>	6,685
Other Revenue	
6 MATP - Mileage Reimbursement	-
7 W2W - Other (i.e. vehicle purchase/repair, fixed route fares)	-
8 Identify _____	-
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>223,756</u>
Non-Applied Reconciling Items	
14 Identify _____	-
15 Identify _____	-
16 Total Non-Applied Reconciling Items	<u>-</u>
17 Total Revenue per Audit	<u><u>\$ 223,756</u></u>

Crawford Area Transportation Authority
FY 2014-15 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	\$ -	\$ 235,122	\$ 235,122
2 Federal Capital Grant to Fund Preventive Maintenance Costs	-	11,114	11,114
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	-	246,236	246,236
7 Act 44 Section 1513 Operating Grant Amount Charged - Prior Years - State Share	-	8,660	8,660
8 Act 44 Section 1513 Operating Grant Amount Charged - Current Year - State Share	-	610,492	610,492
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 _____	-	-	-
12 Subtotal State Subsidy	-	619,152	619,152
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	-	34,440	34,440
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>	-	7,850	7,850
20 Subtotal Local Subsidy	-	42,290	42,290
21 Grand Total Subsidy	-	907,678	907,678
Non-Applied Reconciling Items			
22 Identify Federal	-	-	-
23 Identify State <u>1514 Discretionary/ Act 3 ASG</u>	-	343,331	343,331
24 Identify Local <u>1514 Discretionary/ Act 3 ASG</u>	-	11,447	11,447
25 Total Non-Applied Reconciling Items	-	354,778	354,778
26 Grand Total Subsidy per Audit	<u>\$ -</u>	<u>\$ 1,262,456</u>	<u>\$ 1,262,456</u>

Crawford Area Transportation Authority
FY 2014-15 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	72,555	31,163	-	-	103,718
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	72,555	31,163	-	-	103,718
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 _____	-	-	-	-	-
23 Subtotal Local Subsidy	-	-	-	-	-
24 Grand Total Subsidy	72,555	31,163	-	-	103,718
Non-Applied Reconciling Items					
25 Identify Federal 5310 _____	-	108,611	-	-	108,611
26 Identify State CTC Capital _____	-	27,151	-	-	27,151
27 Identify Local _____	-	-	-	-	-
28 Total Non-Applied Reconciling Items	-	135,762	-	-	135,762
29 Grand Total Subsidy per Audit	\$ 72,555	\$ 166,925	\$ -	\$ -	\$ 239,480

Crawford Area Transportation Authority
FY 2014-15 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	\$ -	\$ 1,073,399	\$ -	\$ 82,259	\$ -	\$ -	\$ 995,815	\$ -	\$ -	\$ -	\$ 142,656	\$ 2,294,129
2 Total Revenue	-	165,721	-	9,704	-	-	897,926	-	-	-	223,756	1,297,107
3 Operating Deficit	-	(907,678)	-	(72,555)	-	-	(97,889)	-	-	-	81,100	(997,022)
4 Grand Total Subsidy	-	907,678	-	72,555	-	-	31,163	-	-	-	-	1,011,396
5 Applied Operating Result**	-	-	-	-	-	-	(66,726)	-	-	-	81,100	14,374
Non-Applied Reconciling Items												
6 Total Non-Applied Reconciling Expense Items	-	(218,727)	-	(24,020)	-	-	(295,798)	-	-	-	(14,374)	(552,919)
7 Total Non-Applied Reconciling Revenue Items	-	2,878	-	-	-	-	2,877	-	-	-	-	5,755
8 Total Non-Applied Reconciling Subsidy Items	-	354,778	-	-	-	-	135,762	-	-	-	-	490,540
9 Operating Result per Audit	<u>\$ -</u>	<u>\$ 138,929</u>	<u>\$ -</u>	<u>\$ (24,020)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (223,885)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,726</u>	<u>\$ (42,250)</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, 2015 in the amount of \$66,726.

Crawford Area Transportation Authority
FY 2014-15 COA LEGACY BUDGET
CATEGORY: CONSOLIDATED EXPENSES SUMMARY

	<u>A</u>
	<u>Total</u>
Operating Expenses	
1 Operators' Salaries & Wages	\$ 692,958
2 Other Salaries & Wages	414,622
3 Fringe Benefits	326,056
4 Services	305,147
5 Fuel & Lubricants	266,090
6 Tires & Tubes	15,189
7 Other Materials & Supplies	54,104
8 Utilities	52,620
9 Casualty & Liability Costs	75,416
10 Taxes	-
11 Purchased Transportation	-
12 Miscellaneous Expenses	91,927
13 Mileage Reimbursement	-
14 MATP-Non-Public Service Expense	-
15 Total System Expenses	<u>2,294,129</u>
 <u>Applied Reconciling items</u>	
16 Interest Expenses	-
17 Leases & Rentals	-
18 Depreciation (privately funded assets only)	-
19 Amortization of Intangibles	-
20 Purchase Lease Agreement	-
21 Related Parties Lease Agreement	-
22 Other Reconciling Items	-
23 Total Applied Reconciling Items	<u>-</u>
24 Total Operating Expenses	2,294,129
<u>Non-Applied Reconciling Items</u>	
25 Depreciation (publicly funded assets only)	552,919
26 Other Post Employment Benefits (OPEB)	-
27 Other Reconciling Items	-
28 Total Non-Applied Reconciling Items	<u>552,919</u>
29 Total Operating Expenses per Audit	<u><u>\$ 2,847,048</u></u>

Crawford Area Transportation Authority
FY 2014-15 COA LEGACY BUDGET
CATEGORY: CONSOLIDATED REVENUE SUMMARY

	<u>A</u>
	<u>Total</u>
Transportation Revenues	
1 Passenger fares	\$ 210,843
2 Advertising	180
3 Charter	1,829
4 Route Guarantees	-
5 Shared-Ride Lottery Trip Reimbursement	613,239
6 MATP Shared Ride Revenue	80,561
7 PwD Trip Reimbursement	66,872
8 AAA	37,471
9 MH/MR - Shared Ride Fare Structure	-
10 W2W - Contract Revenue, Shared Ride Fare Structur	-
11 MATP Contract Revenue, Mileage Reim. & Admin.]	-
12 Other Agencies/Third Party Sponsors	286,074
13 Interest/Investment Income	-
14 Other Revenue	38
15 Other Contract Rate Paratransit Revenue	-
	<hr/>
16 Total Revenue	1,297,107
17 <u>Non-Applied Reconciling Items</u>	
18 Interest/Investment Income	-
19 Other Non-Applied Revenue	5,755
20 Total Non-Applied Reconciling Items	<hr/> 5,755 <hr/>
21 Total Revenue per Audit	<hr/> <u>\$ 1,302,862</u> <hr/>

Crawford Area Transportation Authority
FY 2014-15 COA LEGACY BUDGET
CATEGORY: CONSOLIDATED SUBSIDIES SUMMARY

	<u>A</u>
	<u>Total</u>
Transportation Revenues	
1 Federal Operating Grant	\$ 235,122
2 Federal Capital Grant to Fund Preventive Maintenance Costs	11,114
3 Federal Capital Grant to Fund Capital Costs of Contracting	-
4 Federal Capital Grant to Fund Associated Capital Maintenance Costs	-
5 Other Federal Grants for Operating Costs	-
6 Subtotal Federal Subsidy	<u>246,236</u>
7 Act 44 Section 1513 Operating Grant Amount Charged - State Share	722,870
8 Act 3 ASG Grant Amount Charged - State Share	-
9 Act 3 BSG Grant Amount Charged - State Share	-
10 Special Operating Grants - State Share	-
11 Subtotal State Subsidy	<u>722,870</u>
12 Act 44 Section 1513 Operating Grant Amount Charged - Local Share	34,440
13 Act 3 ASG Grant Amount Charged - Local Share	-
14 Act 3 BSG Grant Amount Charged - Local Share	-
15 Special Operating Grants - Local Share	7,850
16 Subtotal Local Subsidy	<u>42,290</u>
17 Grant Total Subsidy	1,011,396
18 Total Non-Applied Reconciling Items	490,540
19 Grand Total Subsidy per Audit	<u><u>\$ 1,501,936</u></u>

Crawford Area Transportation Authority
Local Match Provided (FY 2014-15)
June 30, 2015

List below all local cash contributions provided for the year ended June 30, 2015:

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

<u>CONTRIBUTOR NAME</u>	<u>DATE OF FINAL PAYMENT</u>	<u>TOTAL AMOUNT PROVIDED</u>
Crawford County Commissioners	5/12/2015	\$ 34,440
SUBTOTAL		\$ 34,440

Unassigned Local Match Funding:

<u>CONTRIBUTOR NAME</u>	<u>DATE OF FINAL PAYMENT</u>	<u>TOTAL AMOUNT PROVIDED</u>
Crawford County Commissioners	5/12/2015	\$ 15,560
City of Meadville	5/4/2015	\$ 9,867
West Mead Township	9/19/2014	\$ 200
SUBTOTAL		\$ 25,627
GRAND TOTAL		\$ 60,067

Crawford Area Transportation Authority
Local Match Carryover (FY 2014-15)
June 30, 2015

A	Local match available as of June 30, 2014	\$ 24,687
B	Local match funds provided during year ended June 30, 2015	60,067
C	Local match operating expenditures for year ended June 30, 2015:	
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	34,440
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)	158
g	Other operating expenditures (if any) IDENTIFY MATCHED PROGRAM <input type="text"/>	-
D	Total local match operating expenditures for year ended June 30, 2015	34,598
E	Local match capital expenditures for year ended June 30, 2015:	
a	Section 1514-Discretionary local match capital expenditures (if any)	11,288
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, 2015	11,288
G	Interest earned on local funds for year ended June 30, 2015	43
H	Local Match Funds Available as of June 30, 2015	\$ 38,911

Crawford Area Transportation Authority
Rural PTAF/BSG/ASG Carryover (FY 2014-15)
June 30, 2015

	Act 26		Act 3			
	PTAF	PTAF Required Local Match	BSG	BSG Required Local Match	ASG	ASG Required Local Match
Funds available as of June 30, 2014	\$ 187	\$ 7	\$ 28,593	\$ 973	\$ 7,607	\$ 291
Interest Income earned in FY 2014-15	-	-	32	1	8	-
Total funds available in FY 2014-15	187	7	28,625	974	7,615	291
Funds used for operating in FY 2014-15	-	-	-	-	-	-
Funds used for capital in FY 2014-15	-	-	-	-	4,619	159
Funds available as of June 30, 2015	\$ 187	\$ 7	\$ 28,625	\$ 974	\$ 2,996	\$ 132

Crawford Area Transportation Authority
Rural Section 1513 Program Carryover (FY 2014-15)
June 30, 2015

	SECTION 1513 STATE GRANT	SECTION 1513 REQUIRED LOCAL MATCH
1 Section 1513 fund balance as of June 30, 2014	\$ 221,758	\$ -
2 Section 1513 funds received for FY 2014-15	725,190	34,440
3 Interest income earned on Section 1513 funds in FY 2014-15	686	-
4 Total Section 1513 funds available in FY 2014-15	947,634	34,440
5 Section 1513 funds used for Rural fixed route operating expenses in FY 2014-15	619,152	34,440
6 Section 1513 funds used for Rural non-fixed route operating expenses in FY 2014-15	103,718	-
7 Total Section 1513 used in FY 2014-15	722,870	34,440
8 Section 1513 fund balance as of June 30, 2015	\$ 224,764	\$ -

Crawford Area Transportation Authority
Shared Ride Expense Allocation Worksheet
June 30, 2015

	% Allocated to Fixed Route	% Allocated to Paratransit (ADA)	% Allocated to Shared-Ride	% Allocated to Non-Public	Basis for Allocation
Operators Salaries and Wages	39.38%	6.40%	47.93%	6.29%	Actual expenses
Other Salaries and Wages	55.07%	3.87%	39.33%	1.73%	Actual expenses
Fringe Benefits	35.48%	1.98%	52.60%	9.94%	Actual expenses
Services	49.55%	1.54%	41.04%	7.87%	Actual expenses
Fuel and Lubricants	51.77%	1.45%	39.06%	7.72%	Shared ride expenses were allocated between Shared and Contract services based on mileage. Fixed route expenses were allocated based on mileage.
Tires and Tubes	5.59%	2.83%	76.48%	15.10%	Actual expenses
Other Materials and Supplies	42.26%	1.85%	49.61%	6.28%	Actual expenses
Utilities	59.43%	3.44%	35.16%	1.97%	Actual expenses
Casualty and Liability Costs	52.92%	3.24%	39.20%	4.64%	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	0.00%	0.00%	0.00%	0.00%	Actual expenses
Miscellaneous	37.23%	2.56%	48.94%	11.27%	Actual expenses were based on person hours and the remaining expenses were allocated on the basis of administrative hours.

Crawford Area Transportation Authority

CAPITAL REPORT #1

June 30, 2015

CAPITAL REPORT #1														
FISCAL YEAR AND INCEPTION-TO-DATE CAPITAL PROJECT SPENDING														
		A	B	C	D	E	F	G	H	I	J	K=SUM (A:J)	L	M=L-K
1	Capital Project Title:	Shared Ride Vehicle Replacement	Shared Ride Fleet Expansion	Storage Facility Project								Total Spent	Total Granted Funds	Granted Funds Less Amt Spent
2	Expenditures Through the End of the Prior Fiscal Year											\$0		\$0
	Sources of Funds for the Current Fiscal Year													
3	Federal Capital - 5303/5304/5305 - FTA Planning											\$0		\$0
4	Federal Capital - 5307 - FTA Urban Formula											\$0		\$0
5	Federal Capital - 5309 - FTA Fixed Guideway											\$0		\$0
6	Federal Capital - 5309 - FTA Bus/Bus Facilities											\$0		\$0
7	Federal Capital - 5309 - FTA New/Small Starts											\$0		\$0
8	Federal Capital - 5310 - FTA Senior and PWD	72,408	36,203									\$108,611	\$ 110,400	\$1,789
9	Federal Capital - 5311 - FTA Rural											\$0		\$0
10	Federal Capital - 5311 - FTA Other											\$0		\$0
11	Federal Capital - 5313/5314 - FTA Research & Tech											\$0		\$0
12	Federal Capital - 5316 - FTA JARC											\$0		\$0
13	Federal Capital - FLEX											\$0		\$0
14	Federal Capital FHWA Programs (CMAQ, ITS, STP,...)											\$0		\$0
15	Federal Capital - Other											\$0		\$0
16	State - 1513 - Waiver to Use for Capital											\$0		\$0
17	State Capital - 1514 - PA Bond Program											\$0		\$0
18	State Capital - 1514 - Discretionary			338,712								\$338,712	\$ 338,712	\$0
19	State Capital - 1515 - New Initiatives											\$0		\$0
20	State Capital - 1516 - CTC	18,100	9,051									\$27,151	\$ 27,600	\$449
21	State Capital - 1516 - Other											\$0		\$0
22	State Capital - 1517 - Capital Improvement Program											\$0		\$0
23	State Capital - PTAF											\$0		\$0
24	State Capital - All Sources Used for Debt Service											\$0		\$0
25	State Capital - ASG/BSG			4,619								\$4,619		(\$4,619)
26	State Capital - Other											\$0		\$0
27	Local Match - 1513 - Waiver to Use for Capital											\$0		\$0
28	Local Match Capital - 1514 - PA Bond Program											\$0		\$0
29	Local Match Capital - 1514 - Discretionary			11,288								\$11,288	\$ 11,288	\$0

30	Local Match Capital - 1515 - New Initiatives												\$0	\$0
31	Local Match Capital - 1516 – CTC												\$0	\$0
32	Local Match Capital - 1516 – Other												\$0	\$0
33	Local Match Capital – PTAF												\$0	\$0
34	Local Match Capital - All Sources Used for Debt Service												\$0	\$0
35	Local Match Capital - ASG/BSG			159									\$159	(\$159)
36	Local Match Other												\$0	\$0
37	Local Contribution												\$0	\$0
38	Proceeds from Agency Issued Bonds												\$0	\$0
39	Agency Loan Proceeds												\$0	\$0
40	Other Financing Transaction Proceeds												\$0	\$0
41	Internal Working Capital												\$0	\$0
42	Proceeds from Disposition of Assets												\$0	\$0
43	Foundations and Non-Profits												\$0	\$0
44	Private												\$0	\$0
45	Other												\$0	\$0
46	Total Sources of Funds Spent in the Current FY	\$90,508	\$45,254	\$354,778	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,540	\$488,000 (\$2,540)
													Grand Total	
47	Total Sources of Funds Spent Inception-to-Date	\$90,508	\$45,254	\$354,778	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$490,540	
48	Total Granted Sources of Funds Inception to Date	\$92,000	\$46,000	\$350,000									\$488,000	
49	Granted Sources Less Amount Spent Inception to Date	\$1,492	\$746	(\$4,778)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,540)	



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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, 2015, 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 January 25, 2016.

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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. 2015-1, 2015-2.

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

January 25, 2016

Crawford Area Transportation Authority

Schedule of Findings and Responses

Year Ended June 30, 2015

Findings and Responses

2015-1 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.

2015-2 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, 2015

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.